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The Director-General's

PROGRAMME AND BUDGET PROPOSALS FOR 2002-03

INTERNATIONAL LABOUR ORGANIZATION

INTERNATIONAL LABOUR OFFICE

Governing Body

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The Director-General's

PROGRAMME AND BUDGET PROPOSALS FOR 2002-03

Table of contents

	Paragraphs
Message from the Director-General	1-8
Executive summary	9-18
Proposed strategic budget for 2002-03	page x
The strategic objectives	**19-247**
Consolidating decent work	29-30
Strategic objective No. 1: Promote and realize standards and fundamental principles and right at work	37-65
Decent work	42-44
Operational objective 1a: Standards and fundamental principles and rights at work	45-48
Operational objective 1b: Child labour	49-53
Operational objective 1c: Normative action	56-65
Strategic objective No. 2: Create greater opportunities for women and men to secure decent employment and income	66-101
Decent work	71-76
Operational objective 2a: Employment policy support	77-85
Operational objective 2b: Knowledge, skills and employability	86-92
Operational objective 2c: Employment creation	93-101
Strategic objective No. 3: Enhance the coverage and effectiveness of social protection for all	102-132
Decent work	107-109
Operational objective 3a: Social security	110-116
Operational objective 3b: Working conditions	117-132
Strategic objective No. 4: Strengthen tripartism and social dialogue	133-174
Decent work	138-140
Operational objective 4a: Social partners	141-156
Operational objective 4b: Governments and institutions of social dialogue	157-174
Cross-cutting activities	175-189
Shaping the ILO agenda	
Decent Work: Inter-sectoral Operational Support	177-178
Gender equality	179-180
Expanding knowledge	
Statistics	181
International Institute for Labour Studies	182
International Training Centre of the ILO, Turin	183
Improving awareness of ILO perspectives	
External relations and partnerships	184-185
Communications	186-189
The regions	190-247
Africa	192-203
Standards and fundamental principles and rights at work	196-197
Employment	198-199
Social protection	200-201
Social dialogue	202-203

The Americas *204-214*
Standards and fundamental principles and rights at work 207-209
Employment 210-211
Social protection 212
Social dialogue 213-214
Arab States *215-225*
Standards and fundamental principles and rights at work 217-219
Employment 220-222
Social protection 223-224
Social dialogue 225
Asia and the Pacific *226-233*
Standards and fundamental principles and rights at work 228
Employment 230-231
Social protection 232
Social dialogue 233
Europe and Central Asia *234-247*
Standards and fundamental principles and rights at work 236-238
Employment 239-241
Social protection 242-244
Social dialogue 245-247

Governance, support and management **248-260**

Policy-making organs 249-250

Management services 251-255

Support services 256-260

Draft budget of expenditure and income for 2002-03 ..... **261-267**

Page

Informative annexes

Information annex 1: Operational budget 66

Information annex 2: Details of cost increases 82

Information annex 3: Proposed operational budget by item and object of expenditure 91

Information annex 4: Schedule of established posts 93

Information annex 5: Estimates of expenditure on technical cooperation funded from extra-budgetary sources by operational objective 94

Information annex 6: Estimates of expenditure on technical cooperation funded from extra-budgetary sources by region and strategic objective 95

Information annex 7: Summary of proposed regular budget technical cooperation resources for 2002-03 96

Information annex 8: ILO Organization chart 97

Information Annex 9:

Real programme evolution (1978-2003) 98

Effect of exchange rate changes and inflation (1994-2003) 98

Message from the Director-General

1. I have the honour of submitting my Programme and Budget proposals for 2002-03.

2. The strategic budgeting concepts introduced in Volumes 1 and 3 of the Programme and Budget proposals for 2000-01 are consolidated in this single volume and the concepts themselves have been given operational reality across all of our programmes. The proposals for 2002-03 are presented both in strategic form and in operational terms.

3. As foreseen in the Strategic Policy Framework for 2002-05, the four strategic objectives remain. However, taking account of comments made in the PFAC last November, the 16 operational objectives in the 2000-01 programme and budget are reduced to ten in 2002-03, targets are established for each objective, the number of indicators is reduced and the indicators and targets for service and support activities are reformulated and reduced in number. A new form of reporting based on objectives and targets will be introduced at the current session of the Governing Body regarding the implementation of the 2000-01 strategic budget. I believe we have successfully introduced a modern and dynamic results-based management system to aid decision-making and evaluation and, importantly, to provide the staff of the Office with a clear sense of purpose and of expectations for their performance.

4. The Strategic Policy Framework set as a central priority the need "to consolidate decent work across the four strategic objectives in the context of a rapidly changing global economy". Decent work is an integrating agenda. It is by focusing on decent work that we seek to link activities and achieve synergies to attain the four strategic objectives. Decent work recognizes that creating jobs is the essential starting point for progress on rights at work, social protection and social dialogue, for it is through jobs that the latter objectives become a reality. Decent work also recognizes that progress in attaining the four strategic objectives within countries depends greatly on a growing global economy of benefit to all. Its practical implementation at the country level is a key managerial and political challenge, which my proposals for 2002-03 are intended to address.

5. I propose a zero real growth budget by comparison with 2000-01, with provision for some $7 million in cost increases. The adjustment for the US dollar-Swiss franc exchange rate will be decided at the June Conference in accordance with financial policy over the past several years. There have been recent calls to absorb cost increases which, if heeded, would effectively reduce the level of the programme. There have also been appeals to breach the zero real growth barrier. As one who is confronted daily by growing demands from constituents that the ILO do more and do it more quickly, I cannot but be sympathetic to these appeals.

6. Within the zero real growth envelope, I propose to redistribute resources to provide for an overall increase in our technical programmes, creating new programmes on HIV/AIDS and decent work and increasing resources for the existing programmes on standards policy, freedom of association, child labour and the Declaration. An increase is proposed also for the International Policy Group because of the important work to be done on decent work and the global economy. Regional programmes retain the same level of resources as in 2000-01. Support programmes are reduced and there is a modest strengthening of management services. A reserve for technical meetings is proposed. Only two meetings are identified now for convening in 2002-03. Others will be decided by the Governing Body at later dates. The challenge arising from these resource shifts is to ensure, through the techniques of strategic budgeting and good management practices, that more is achieved by programmes with increases in resources and that more efficient methods enable programmes with fewer resources to maintain their performance standards.

7. One measure of our success is that we have been able to attract a much higher level of extra-budgetary resources for the programmes on child labour and the Declaration and new resources for the programme on HIV/AIDS. This is accompanied by an expected decline in some of our other programmes, notably employment, because of UNDP funding decisions. As the overall level of technical cooperation activity is not increasing as yet, this represents a shift in donor preferences. Although the Employment sector remains the largest in terms of regular budget allocations, the situation of extra-budgetary funding must be redressed. We will need to invest in the development of new approaches to technical cooperation in this field. I also intend to convene a special donors' meeting before the end of 2001 to seek fresh funding for our employment activities. More generally,

my proposals provide for a closer integration of regular budget and extra-budgetary funding and explain how regular budget technical programmes could be extended or expanded with infusions of extra-budgetary resources.

8. I recall stating in my introduction to the Programme and Budget proposals for 2000-01, "In a world of competition for limited public resources, cost-effectiveness, impact and image are crucial to the challenge of explaining why the ILO should be funded. One of the biggest bureaucratic mistakes that I have seen repeated so often is to take funding for granted. In the long term, only relevance and effectiveness ensure success and only success ensures adequate funding. Even so, the realities of financial constraints tend to prevail." I do not take funding for granted and it is for the Governing Body to appraise whether the financial constraints of yesterday need be those of today.

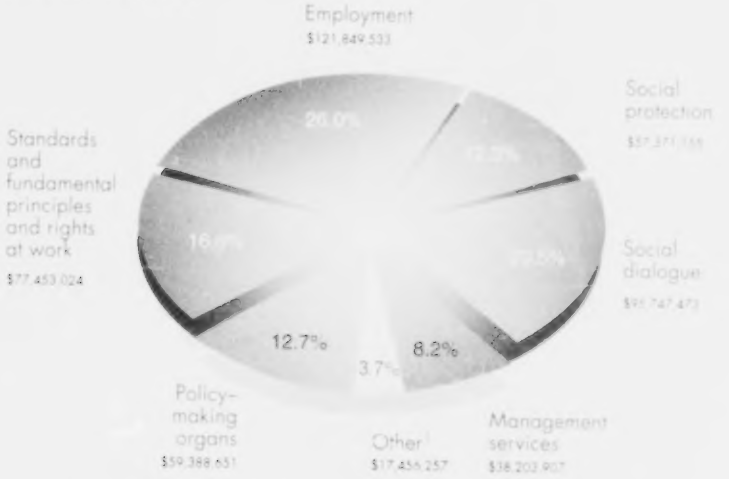
January 2001.

Juan Somavia,
Director-General

Executive summary

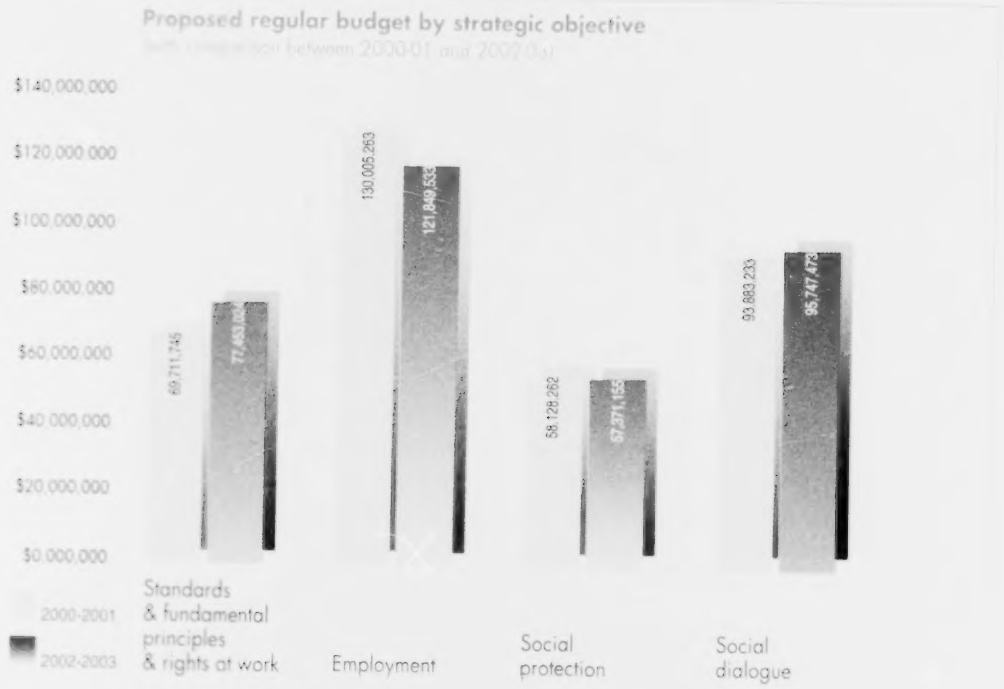
9. During 2002-03, the International Labour Organization will operationalize its decent work agenda through a comprehensive set of initiatives across all four ILO strategic objectives. Those efforts will involve collaborative work between headquarters sectors, between headquarters and the field, and between the ILO and external partners. Within the framework of a strategic budget that identifies performance standards and strategies for each objective, some activities will be expanded while others will be reduced. Due to budgetary constraints, gaps remain in the resources required to meet the needs of its constituents, and these are identified for dialogue with donors.

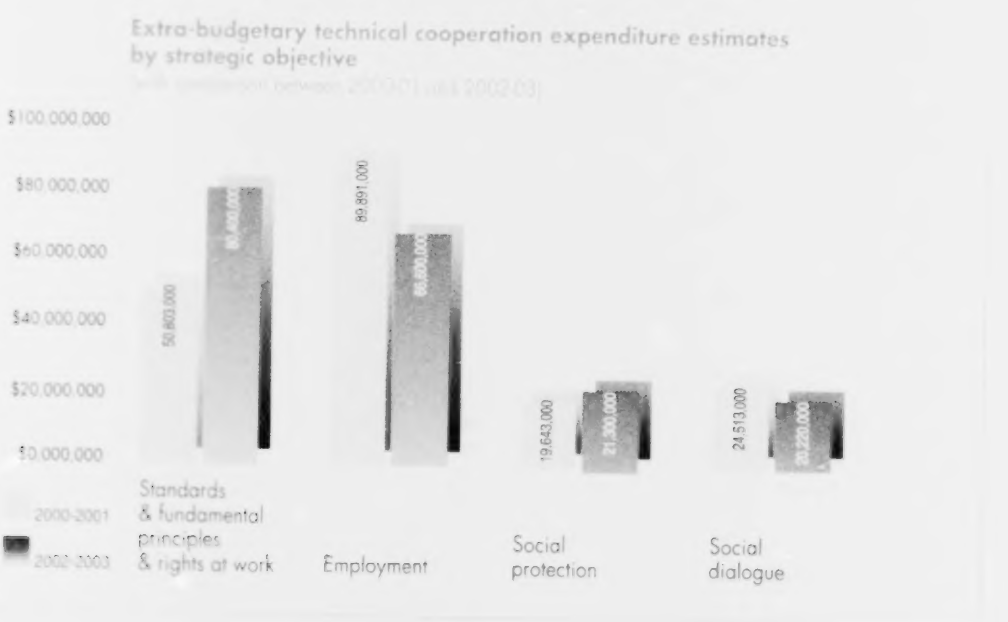
Regular budget:
Proposed expenditure budget for 2002-03
(in constant 2000-01 US dollars)



[1] Includes Other Budgetary provisions, Adjustment for staff turnover and Unforeseen expenditure.

Extra-budgetary resources:
Technical cooperation expenditure estimates by strategic objective for 2002-2003
(in constant 2000-01 US dollars)





10. The first chart above shows the proposed regular budget for 2002-03, while the second shows expected extra-budgetary technical cooperation expenditures in the same period. The third and fourth charts compare levels of regular budget resources and expected extra-budgetary expenditure with those for 2000-01.

11. The principal areas of expansion relate to *standards and fundamental principles and rights at work*. The ILO will use extra-budgetary resources to develop the capacity of specific member States to reduce the incidence of child labour, especially in those States with time-bound targets. It will support efforts to build knowledge and advocacy on child labour. The ILO will also campaign vigorously for more ratifications of the fundamental Conventions. It will expand efforts to improve the

application of fundamental principles and rights in practice, in particular through follow-up to the ILO Declaration on Fundamental Principles and Rights at Work. The ILO will also review standards policy, in particular through an in-depth review of occupational safety and health standards decided upon by the Governing Body as a means of exploring an integrated approach.

12. For the second strategic objective on *employment*, all work will take place in the existing comprehensive employment framework, which has seven elements –

- Strengthening the ILO's knowledge of employment outcomes of different policies.
- Policies to promote enterprises, particularly micro, small and cooperative enterprises which have the biggest potential for creating new jobs.
- Policies to enhance knowledge, skills and employability for men and women.
- Promoting employment through reconstruction and employment-intensive investment.
- Improving livelihoods through micro-finance, self-employment, local economic development and other income-generating activities.
- Promotion of decent work through voluntary private initiatives and corporate social responsibility.
- Policies and programmes to promote gender equality in employment so as to translate key gender and employment perspectives in the context of decent work into mainstreaming policy and programme tools.

13. While current trends suggest that fewer extra-budgetary resources will be available to support this work, an intensive programme of technical cooperation development will be pursued.

14. For the third strategic objective on *social protection*, the growing extra-budgetary support for work on HIV/AIDS in the workplace will mean an important addition to ILO priorities, especially in Africa and Asia. In addition, the ILO will direct resources at helping States deal with the need to create or improve social security systems that are financially sound and cover more people. It will promote a consensus on the treatment of migrant workers. It will continue its actions to support improvements in working conditions, including in small enterprises and the informal economy, in particular in relation to enhancing workplace safety and health.

15. For the fourth strategic objective on *social dialogue*, much of the projected activity will assist employers' organizations, workers' organizations and governments, especially their labour ministries, to gain greater capacity to play their critical roles in operationalizing the decent work agenda. That will mean technical cooperation and support to help strengthen social partners and to modernize labour legislation and administration in many countries. It will mean support for tripartite sectoral meetings and their follow-up. Expected ILO priorities for improved social dialogue include child labour, the application of international labour standards, employment and skills development and occupational safety and health.

16. The ILO will expand its *cross-cutting activities*. It will establish a new programme to provide operational support to its decent work agenda. It will continue to ensure that gender issues are integrated across all activities. The ILO's knowledge base will be strengthened. The work of the International Training Centre of the ILO in Turin will be more closely linked to ILO priorities. The ILO will improve its communications and will build more effective partnerships with other international organizations.

17. Four of the ILO's eight InFocus programmes will be evaluated during the biennium: Promoting the Declaration; Boosting Employment through Small Enterprise Development; Crisis Response and Reconstruction; and Safety and Health at Work and the Environment.

18. The ILO's *management and support services* will continue to find more cost-effective ways to achieve service goals. As part of becoming a more effective organization, the ILO will introduce improvements in how it manages human resources and how it implements strategic budgeting and reporting. The ILO will update its financial systems as the major part of a larger package of information technology modernization.

Proposed strategic budget

Table 1: Strategic budget: Proposed expenditure budget by appropriation line

Item	Revised [1] strategic budget 2000-01 (US$)		Proposed strategic budget 2002-03 (in constant 2000-01 US $)		Proposed strategic budget 2002-03 (recosted (US$))	
Part I. Ordinary budget						
A. Policy-making organs		60,896,671		59,388,651		60,073,715
B. Strategic objectives		351,728,503		352,421,185		358,121,565
Standards and fundamental principles and rights at work	69,711,745		77,453,024		78,705,819	
Employment	130,005,263		121,849,533		123,820,438	
Social protection	58,128,262		57,371,155		58,299,128	
Social dialogue	93,883,233		95,747,473		97,296,180	
C. Management services		37,694,107		38,203,907		38,476,539
D. Other budgetary provisions		20,243,879		20,549,417		20,997,464
Adjustment for staff turnover		(3,968,160)		(3,968,160)		(4,014,818)
Total Part I.		466,595,000		466,595,000		473,654,465
Part II. Unforeseen expenditure						
Unforeseen expenditure		875,000		875,000		875,000
Part III. Working Capital Fund						
Working Capital Fund		0		0		0
TOTAL (Parts I - III)		***467,470,000***		***467,470,000***		***474,529,465***

[1] In the Programme and Budget proposals for 2000-01, strategic budget estimates attempted to take into account contributions of individual units to various operational objectives. Such contributions are especially common for the Social dialogue sector. Items on the agendas of sectoral meetings, for example, concern all four strategic objectives, as does much of the work of the Bureaus for Employers' and Workers' Activities. However, in the discussions of the Programme, Financial and Administrative Committee of the Governing Body, these estimates were criticized as subjective. Moreover, this practice does not contribute to clear accountability for results. Strategic budget estimates for 2002-03 therefore are based on alignment of units to operational objectives and indicators. For a few cross-cutting programmes, estimates are based on activities. To provide comparability, the same methodology was applied to the 2000-01 approved budget. The resulting resource estimates are used in all tables containing strategic figures. It should be noted that none of this affects the operational budget.

The strategic objectives

19. In keeping with the Governing Body's call for an integrated strategic budget and ILO experience with strategic budgeting to date, this section of the programme and budget proposals is built around a smaller and more comprehensive set of objectives and indicators for each of the four strategic objectives. This section integrates field and headquarters actions from all sectors for each strategic objective. Each strategic objective is structured in a similar way, and includes:

- a summary of the relevant strategic policy framework discussion, including contributions to decent work and major priorities for collaboration among sectors;
- tables giving the total resources expected by operational objective, broken down by regular budget and extra-budgetary funding, and showing the contribution of both headquarters and the field structure;
- operational objectives, performance indicators and targets for 2002-03;
- strategies showing how the ILO expects to achieve targets;
- identification of concrete resource gaps and opportunities that the ILO can address if it can attract additional extra-budgetary support.

Table 2. Proposed regular budget strategic resources

Regular budget	Revised strategic budget 2000-01 (in constant 2000-01 US$)		Proposed strategic budget 2002-03 (in constant 2000-01 US$)	
Technical programmes		***157,881,091***		***160,538,278***
Standards and fundamental principles and rights at work	28,463,294		30,244,843	
Employment	56,918,639		56,980,420	
Social protection	29,060,762		29,154,664	
Social dialogue	43,438,396		44,158,351	
The regions		***138,281,517***		***138,220,372***
Standards and fundamental principles and rights at work	30,235,423		35,414,550	
Employment	52,548,456		46,315,306	
Social protection	19,884,427		19,480,689	
Social dialogue	35,613,211		37,009,827	
Support services		***55,565,895***		***53,662,535***
Standards and fundamental principles and rights at work	11,013,028		11,793,631	
Employment	20,538,168		18,553,807	
Social protection	9,183,073		8,735,802	
Social dialogue	14,831,626		14,579,295	
Total strategic objectives		***351,728,503***		***352,421,185***

20. Table 2, like all the tables in the strategic part of the programme and budget proposals, is organized by objectives. Under each objective, it shows all regular budget resources that contribute directly to achievement of the objective. Under the strategic objective on employment, for example, most of the technical programme resources relate to the employment sector. In addition, some resources for employment-related work in the cross-cutting programmes – such as gender and statistics – are also shown under the employment objective. In contrast, the operational budget found in Information Annex 1 indicates the specific levels of resources allocated to individual sectors and programmes.

21. For the regions, contributions to strategic objective are estimated on the basis of two criteria: the number of specialists in multidisciplinary teams whose work falls under the objective, and the volume of extra-budgetary technical cooperation. When the proportion of extra-budgetary techni-

cal cooperation rises or falls for an objective, the ILO's backstopping work follows, so the regional figures partly reflect donor priorities.

22. Resources for support services are allocated to objectives on a pro rata basis, reflecting support to both headquarters and field units.

23. Table 2 shows resources proposed for 2002-03 within the strategic objectives budgetary envelope, with comparative figures for 2000-01. The total strategic envelope has increased by $0.7 million due to net savings in other envelopes. The regional budgets have remained the same, with the exception of a small saving in the Development Cooperation programme at headquarters. There are $1.9 million of savings under Support Services. The net result is that within the overall strategic envelope, there is a proposed increase of almost $2.7 million in the resources devoted to technical programmes at headquarters.

24. Within the technical programmes, an additional $1.8 million of regular budget resources is allocated to Standards and Fundamental Principles and Rights at Work. This will be used to increase work on the Declaration, on child labour and on standards policy. There is also an additional $0.7 million for Social Dialogue, while Employment and Social Protection each increase by small amounts.

25. The total resources available to the regions remain essentially unchanged. The attribution of these resources to strategic objectives shows an increase of $5.2 million for Standards and Fundamental Principles and Rights at Work and of $1.4 million for Social Dialogue. At the same time, resources for Employment fall by $6.2 million and those for Social Protection by $0.4 million. These changes relate partly to adjustments in the composition of multidisciplinary teams, especially in the case of Social Dialogue. However, the principal reason for the changes is the impact of trends in the volume of extra-budgetary technical cooperation (see table 3 below). Extra-budgetary resources are expected to continue to rise sharply for child labour and the Declaration while dropping for employment. However, regular budget resources for work on employment will not fall as steeply as extra-budgetary resources. When headquarters is taken into account, the fall is from $130 million to $121.9 million, or from 37 to 34.6 percent of regular budget strategic resources. This compares with a fall in extra-budgetary resources of $23.3 million, or from 48.6 percent to 35.3 percent of estimated extra-budgetary expenditure. Employment continues to receive the largest volume of regular budget resources among the four strategic objectives.

Table 3. Summary of proposed strategic and estimated extra-budgetary resources

	Revised strategic budget 2000-01 (in constant 2000-01 US $)		Proposed strategic budget 2002-03 (in constant 2000-01 US $)	
Regular budget				
1 Standards and fundamental principles and rights at work	69,711,745	19.8%	77,453,024	22.0%
2 Employment	130,005,263	37.0%	121,849,533	34.6%
3 Social protection	58,128,262	16.5%	57,371,155	16.3%
4 Social dialogue	93,883,233	26.7%	95,747,473	27.1%
	351,728,503		***352,421,185***	
Extra-budgetary*				
1 Standards and fundamental principles and rights at work	50,803,000	27.5%	80,400,000	42.7%
2 Employment	89,891,000	48.6%	66,600,000	35.3%
3 Social protection	19,643,000	10.6%	21,300,000	11.3%
4 Social dialogue	24,513,000	13.3%	20,220,000	10.7%
	184,850,000		***188,520,000***	

* The extra-budgetary figures represent the most recent available estimates of expenditure on technical cooperation funded from extra-budgetary sources.

26. Table 3 provides estimates of the levels of extra-budgetary technical cooperation expenditure in 2002-03. These estimates are based on existing approvals or known likely approvals at the end of 2000. The comparative figures for 2000-01 are based on known delivery at the end of 2000 and projections for 2001. These figures have been revised considerably from those shown in the Programme and Budget for 2000-01, which were based on information available in 1998.

27. The table shows that technical cooperation on Standards and fundamental principles and rights at work will exceed that on employment for the first time in 2002-03. However, when regular budget contributions are taken into account, employment remains the highest priority in resource terms.

28. For a number of key objectives, the needs of constituents and the ILO's capacity to deliver technical cooperation exceed the extra-budgetary resources likely to be obtainable. In the discussion of each strategic objective, therefore, gaps in the availability of extra-budgetary resources are identified. A positive response from donors would enable a better ILO response to the needs of constituents.

Consolidating decent work

29. Decent work is the unifying theme for work by headquarters sectors and the regions under all four Strategic objectives and for the Cross-cutting activities of the ILO. The decent work agenda is being defined by the impacts of a rapidly changing global social, economic and political environment on employment, workplace-related rights, social protection and social dialogue. It is being defined by the long-standing roles and strengths of the ILO and by the new emphases that member States and social partners see as important.

30. Globalization is having an extremely varied impact both within States and between them. Reduced barriers to trade and investment are helping to create new jobs around the world. Many employers and trade unions recognize that a commitment to dialogue, investments in people and skills, and safe, equitable workplaces are instrumental to the long-term competitiveness of a workplace. Many governments and social partners recognize that well-designed, well-managed social protection programmes can provide security for the citizens who need them, at a sustainable cost to their economies.

31. As with any major shift, the social and economic impacts of globalization are not always positive. Employers and workers face the closure of uncompetitive workplaces. Too many violations of international labour standards have taken place as countries seek to attract investments and employment creation, at almost any price. Governments have had to reconsider what their social protection programmes cover and how they function in the face of concerns over costs and comparisons with similar programmes in other countries. Some programmes have effectively collapsed. Many governments have been able to put few resources into enforcing the labour legislation or health, safety and other working condition standards they have.

32. These benefits and costs are well-known. There is an increasing expectation among citizens in most countries that ways must be found to preserve the benefits of a growing international economy for the widest number of people, while reducing the uncertainty that people face in this new environment.

33. Helping to answer that expectation is the basis of the decent work agenda. The ILO and its constituents have a critical opportunity to help to operationalize the concept of decent work by showing that it is possible to promote growth and jobs for all, under the new global economic and social environment. Much of the basic thinking has already taken place to position the ILO to play a stronger role in defining how to make globalization work for everyone.

34. Operationalizing the decent work agenda in 2002-03 is expected to centre increasingly on support for strategies at the national level, regional and sectoral initiatives and increased collaboration with other international organizations.

35. During 2002-03, decent work will be operationalized in many ways. Regions will have decent work project teams that will work with governments, social partners and other groups and organizations. Pilot projects beginning in 2001 are expected to provide guidance and experience that the ILO will use to design and launch more country-level decent work initiatives in 2002-2003. Headquarters units will support the efforts of decent work project teams.

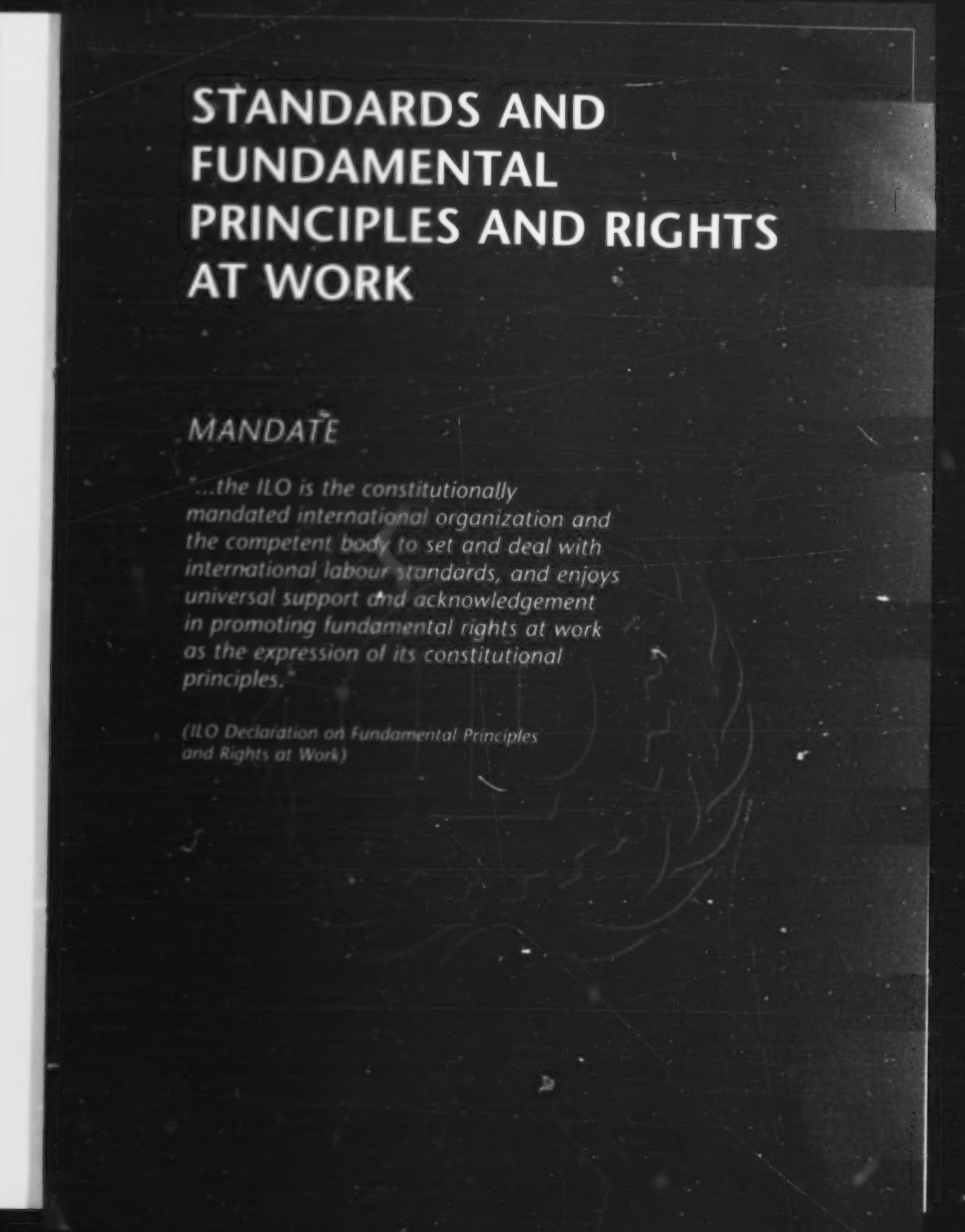
36. Building that national base to implement the decent work agenda will be matched by increased advocacy with other international organizations, especially those with economic development mandates. To increase the strength of that advocacy, the ILO will improve its technical and analytical strength, enhance relationships with other organizations and do a more effective job of communicating its views and actions. A focal point for this work will be the Governing Body's Working Party on the Social Dimension of Globalization.

STANDARDS AND FUNDAMENTAL PRINCIPLES AND RIGHTS AT WORK

MANDATE

"...the ILO is the constitutionally mandated international organization and the competent body to set and deal with international labour standards, and enjoys universal support and acknowledgement in promoting fundamental rights at work as the expression of its constitutional principles."

(ILO Declaration on Fundamental Principles and Rights at Work)



STRATEGIC OBJECTIVE

Promote and realize fundamental principles and rights at work

OPERATIONAL OBJECTIVES

ILO member States give effect to the principles and rights concerning freedom of association and collective bargaining and the elimination of forced labour, child labour and discrimination in employment and occupation.

Child labour is progressively eliminated, priority being given to the urgent elimination of its worst forms and to the provision of alternatives for children and families.

Services are provided to the supervisory bodies, constituents and the Governing Body and the International Labour Conference, enabling existing standards to be supervised and new standards to be set.

Strategic objective No. 1:

Promote and realize standards and fundamental principles and rights at work

37. International attention concentrates increasingly on rights at work, particularly international labour standards, because it is in the workplace that many concerns about the economic and social effects of globalization come together. This is perfectly illustrated in the international commitment to eliminate child labour with particular emphasis on its worst forms. The workplace is also where — aided by a correct mix of social programmes — the proper balance can be found between labour market flexibility and decent working and living conditions for all.

38. The ILO's challenge under this strategic objective is to ensure that the normative system, based on Conventions and Recommendations, is effective. The primary goal is social justice through the observance of rights that protect working people's dignity and integrity from work-related abuses and discrimination, while empowering workers and the socially excluded to achieve better lives. This requires a normative system that performs and is respected in an era of open economies and societies, massive technological change and globalization of labour markets. The necessary environment — and a worthy goal in itself — is one of social cohesion, obtained through dialogue and tripartism: the recognition by States and the international community that the interaction of employers, workers and governments is the most productive way to address social and economic issues.

39. The ILO will have an impact well beyond its traditional sphere of influence in the international community as the tripartite constituents work creatively together to these ends. Progress towards achieving this strategic objective will depend on technical cooperation drawing on both the Organization's normative action and processes deriving from the Declaration on Fundamental Principles and Rights at Work and the International Programme for the Elimination of Child Labour IPEC. The Governing Body's review of the supervisory and promotional aspects of standard setting will help to provide the strong tripartite consensus required to modernize and strengthen the standards system, thus building a solid foundation for implementation of the ideas set out in *Decent work*.

Table 4. Strategic resources for Standards and fundamental principles and rights at work by operational objective

	Proposed regular budget strategic resources (in constant 2000-01 US $)	Estimated extra-budgetary expenditure (in constant 2000-01 US $)
Operational objective		
1a Standards and fundamental principles and rights at work	11,795,840	17,450,000
1b Child labour	25,915,044	60,000,000
1c Normative action	39,742,140	2,950,000
Total 2002-03	***77,453,024***	***80,400,000***
Revised 2000-01	***69,711,745***	***50,803,000***

40. This table gives the total strategic resources available for work on Standards and Fundamental Principles and Rights at Work. The increase shown under the regular budget consists of an additional $1.8 million in Headquarters technical programmes, an additional $5.2 million in the regions, primarily for backstopping of technical cooperation and related advisory services, and an increase of $0.8 million in support services on a pro rata basis.

41. The increase in extrabudgetary expenditure is nearly $30 million. Two thirds of this increase relates to child labour and the remainder to the Declaration. However, much of the $17.5 million for work related to the Declaration will in practice contribute directly to the other three strategic objectives, and in particular to social dialogue.

Decent work

42. The Declaration process has demonstrated that elements that are embodied in ILO standards and principles can help to map out the concept of decent work. International labour standards relating to all four strategic objectives help to define the action that needs to be taken for its realization in varying development situations. The cross-cutting issues of gender and the protection of vulnerable groups, workers with disabilities, migrant workers and indigenous and tribal peoples, are also reflected in the Organization's standards.

43. The ILO will place special emphasis on assistance to countries in which the need and prospects for concrete improvements are identified by the Declaration follow-up and the supervisory mechanisms. The experience of time-bound programmes for the elimination of child labour in particular sectors and countries is expected to yield lessons for other aspects of decent work.

44. In addition to the specific contributions described throughout this strategic objective, intersectoral initiatives will include:

- with the Employment Sector, research and action on measures to integrate fundamental principles and rights at work in employment strategies for decent work and to apply ILO standards through improvements at the workplace; and work on employment-generation schemes to assist parents and combat child labour;
- with the Social Protection Sector, using technical cooperation and research on these subjects to strengthen the promotion and application of relevant Conventions on occupational safety and health and conditions of work;
- with the Social Dialogue Sector, promoting fundamental principles and rights at work as the underpinning of successful social dialogue, the participation of employers' and workers' organizations in action under the Declaration and IPEC, as well as in standard setting, supervisory processes and action to improve the application of standards.

Operational objective 1a:
Standards and fundamental principles and rights at work

ILO member States give effect to the principles and rights concerning freedom of association and collective bargaining and the elimination of forced labour, child labour and discrimination in employment and occupation.

The **InFocus Programme on Promoting the Declaration** aims to:

- **ensure that the Declaration on Fundamental Principles and Rights at Work and its Follow-up is increasingly well known and applied within all member States;**
- **provide effective support to the Declaration follow-up by servicing the Review of annual reports and the Global Report procedures;**
- **identify technical cooperation needs related to fundamental principles and rights at work and mobilize resources and action to address the needs.**

Its work is largely addressed under Operational objective 1a. This In Focus programme will be evaluated in 2002-03.

45. Approximately $17,500,000 in extra-budgetary resources is expected to be used to support progress on implementing the Declaration, consistent with the action plans adopted by the Governing Body in November of each year. Priorities for action are expected to include addressing Convention ratification challenges identified by Expert-Advisers and improving the application of Conventions already ratified. Much of this work will take place through technical cooperation projects in the field. If additional extra-budgetary funds become available, ILO technical cooperation in this field will be expanded to cover aspects of the Declaration such as forced or compulsory labour.

Indicator 1a.1

Member States that have ratified either:

i) all eight fundamental Conventions; or

ii) at least one Convention in each of the four categories of fundamental principles and rights.

Target

i) 50 per cent of member States (87);

ii) 135 member States.

Strategy

46. The ILO will concentrate efforts on those States where ratifications are not in place but are most feasible. Some 100 member States have ratified at least one Convention in each of the four categories and 122 are expected to have done so by the end of 2001. As of November 2000, 28 member States had ratified all eight fundamental Conventions. Annual reports under the Declaration follow-up, Global Reports and ensuing action plans will be used to identify specific challenges to be overcome and the most effective technical cooperation activities. Technical expertise available in the International Labour Standards Department and field teams, together with facilitation of involvement of employers' and workers' organizations and improvement of labour legislation provided by the Social Dialogue Sector, will be central to this strategy.

Indicator 1a.2

Member States in which there are positive changes, as noted in the ILO Declaration Expert-Advisers' introduction to the compilations of annual reports on the Declaration.

Target

20 member States.

Strategy

47. The priority will be to support States in achieving compliance with the principles and rights. The ILO Declaration Expert-Advisers use information from annual reports to highlight for specific States good practices in countries in the same region or at similar stages of development in relation to the fundamental principles and rights at work. Consistent with this strategy, the support of national employers' and workers' organizations will be mobilized through information, advocacy and training. The aim will be to build confidence and support for eventual ratification in countries not yet bound by all fundamental Conventions. Since the reporting procedure under the Declaration is new, the target figure is an estimate. However more information will be available in the Declaration Expert-Advisers' introduction to the compilation of annual reports to be submitted to the March 2001 Governing Body.

Indicator 1a.3

Member States that have begun implementation of gender-sensitive technical cooperation that specifically addresses needs or problems identified in reports submitted under the Declaration, the introduction by the ILO Declaration Expert-Advisers and plans of action adopted by the Governing Body.

Target

20 member States.

Strategy

48. Information generated in the Declaration follow-up will help identify good practices in countries already applying the fundamental principles and rights at work. This will lead to effective national-level technical cooperation projects such as those launched in six member States in 2000. Success stories will also be highlighted in the Follow-up processes, improving the climate of support for added actions.

Operational objective 1b: Child labour

Child labour is progressively eliminated, priority being given to the urgent elimination of its worst forms and to the provision of alternatives for children and families.

The **InFocus Programme on Child Labour** aims to:

- enable countries to detect and prevent the worst forms of child labour, obtain withdrawal of children from these forms as a matter of urgency and formulate policy and implement programmes for the effective abolition of child labour;
- promote the ratification and implementation of the Worst Forms of Child Labour Convention, 1999 (No. 182), and the Minimum Age Convention, 1973 (No. 138);
- increase public awareness of child labour and mainstream the issue into policy-making;
- identify priority areas for action and implement technical cooperation to support the elimination of child labour.

Its work is largely addressed under Operational objective 1b.

49. IPEC expenditure on extra-budgetary technical cooperation activities is expected to be $60 million during 2002-03. The strategy will continue to develop national capacity and collaborate with other international organizations in order to maximize the impact of ILO efforts in the elimination of child labour. Information dissemination and the advocacy campaign will be global as well as regional and national. The ILO will mainstream child labour to make for more effective utilization of available extra-budgetary resources. Technical cooperation will continue to target specific groups and sectors, with national time-bound programmes aiming at the elimination of the worst forms of child labour. Countries in South Asia, with the bulk of child labour in the world, will account for more than half of IPEC's technical cooperation programme, while the remainder will be channelled into the continuing expansion of the programme into many member States in other regions.

Indicator 1b.1

Member States that ratify:

(i) the Minimum Age Convention, 1973 (No. 138);

(ii) the Worst Forms of Child Labour Convention, 1999 (No. 182).

Target

(i) 30 additional member States;

(ii) 65 additional member States.

Strategy

50. Promotional efforts for both Conventions will concentrate on regions where fewer countries have ratified. Ratification targets for 2000-01 are set at 105 member States for Convention No. 138 and 87 member States for Convention No. 182. Positive experiences of similar countries that have ratified the Convention will be used to overcome governments' doubts about the requirements of the Conventions and the demands of the supervisory processes.

Indicator 1b.2

Member States that carry out national quantitative and qualitative studies on the extent of child labour.

Target

32 additional member States.

Strategy

51. The Statistical Information and Monitoring Programme on Child Labour (SIMPOC) will combine expertise within the ILO and external resources to carry out national surveys and empirical studies. It will build on the experience of studies already completed in 30 member States to refine methodologies. The focus will be on countries that have ratified one or both of the Conventions and most need comprehensive information. Such information will enable an improved understanding of child labour trends and underlying factors and the special situation of the girl child. It will indicate linkages with other development issues such as education and training, adult employment, crisis and conflict management and health questions, including HIV/AIDS. These studies will lead to an expanded IPEC database, positioning the ILO as a global clearinghouse for best practices in the compilation and publication of statistics on child labour.

Indicator 1b.3

Member States that formulate policies and programmes specifying time-bound targets for the elimination of worst forms of child labour, taking into account the special situation of the girl child.

Target

20 additional member States.

Strategy

52. Experience gained through the first 12 national time-bound programmes will be used to help member States and their constituents specifically address the elimination of child labour in their economic and social development programmes. To support that, the sectors with the worst forms of child labour will be identified among countries that are signatories of a Memorandum of Understanding and have ratified Convention No. 182. Priority activities will then be developed with the advice of the Social Dialogue Sector, employers' and workers' organizations in particular sectors and the gender specialists.

Indicator 1b.4

Children who benefit from ILO action in particular in regard to the worst forms of child labour and the girl child.

Target

1 million.

Strategy

53. The indicator relates to a target group which includes:

- children who benefit directly through withdrawal and rehabilitation from child labour; and
- children prevented from entering the labour market, by means of raised awareness among parents and the community, and IPEC programmes to provide alternative sources of household income.

54. SIMPOC work will improve measurement and understanding of the complex subject of child labour, while article 22 reports on Convention No. 182 from ratifying countries, annual reports under the Declaration follow-up from non-ratifying countries and the 2002 Global Report will help to clarify the situation involving its worst forms. That information, along with contact with other ILO programmes, will enable targeted actions at the national level to eliminate particular occurrences of child labour, as the time-bound plans also begin to produce results. Best practices will be documented and shared widely.

55. Because child labour *is* more common in some economic sectors in particular regions and subregions, achievement of the indicator may also be demonstrated in different ways. For example, measurement may be sectorally based, or refer to benefiting children as a percentage, or in terms of sample surveys following results of ILO and country programmes. Similarly, the results of stronger advocacy and support for international and national actions in favour of education will produce results in terms of prevention, for children at risk of premature and inappropriate employment.

Operational objective 1c: Normative action

Services are provided to the supervisory bodies, constituents and the Governing Body and the International Labour Conference, enabling existing standards to be supervised and new standards to be set.

56. While the supervisory work relating to Conventions must be carried out with regular budgetary resources for reasons of transparency and credibility, external resources would enable greater promotion of Conventions relating to forced (including bonded) labour and indigenous and tribal peoples in those regions where these are recognized issues. Technical cooperation activities under this operational objective are expected to expand beyond the current estimate of nearly $3 million for the 2002-03 biennium. Actions would be oriented towards addressing problems raised by the supervisory bodies under Conventions Nos. 29 and 105 on forced labour and Convention No. 169 on indigenous and tribal peoples and where there are prospects of ratification or improved implementation of those Conventions.

57. If available, additional resources would help to address other problems considered by the supervisory bodies and to obtain further ratifications of other Conventions. That work would concentrate on standards singled out by the Governing Body for promotion, particularly those most directly related to decent work (e.g. employment policy, labour inspection, tripartite consultations).

Indicator 1c.1

Improvements in ILO standards-related activities.

Target

i) Adoption of a programme of action on occupational safety and health standards.
ii) Consideration by the Governing Body of similar discussions in two additional areas for 2004-05.

Strategy

58. Based on orientation given by the Governing Body, the Office will carry out analysis and extensive consultations on improvements in ILO standards-related activities, with the overall requirements of increased effectiveness and efficiency, to include: re-evaluation of standard setting; choice of suitable subjects for standards; reassessing existing Conventions; supplementing the framework Conventions; flexibility; reconsidering the process for adopting standards; concentrating attention on high-impact standards.

59. Adoption of an integrated approach to standard setting, drawing on all sectors, enhances the relevance and the effectiveness of ILO standards-related activities. It will also extend the impact of related supervisory and promotional activities. Occupational safety and health will be the first focus. Development of a proposed direction will draw on working partnerships, especially with the Social Protection Sector and field-assisted consultations with tripartite and regional groups. This will set the stage for in-depth discussion at the Conference in 2003. Expected outcomes of the

Conference would be a programme of action on occupational safety and health standard setting for future Conferences as well as an identification of best approaches to increasing the impact of ILO standards in this area.

Indicator 1c.2

Reports processed for the Committee of Experts.

Target

90 per cent of reports received.

Strategy

60. Higher quality and more timely article 22 reports and employer and worker organization inputs enable better preparation for the Committee of Experts and processing of 90 per cent of reports instead of approximately 80 per cent as previously. Accordingly, standards specialists in the field and the Turin Centre's increasing training capacity will work with governments to improve national participation in the supervisory processes. Supplementary advice and assistance will be sought from other technical sectors especially at the working level in order to ensure that advice to the Committee of Experts on technical aspects of Conventions deals with priority issues and facilitates solutions. Through the supervisory procedures, regular dialogue on ratified Conventions with all governments will be ensured.

Indicator 1c.3

Complaints examined by the Committee on Freedom of Association.

Target

First examination by the CFA within 12 months of receipt of complaint.

Strategy

61. While current processing timeframes reflect this target, complaints received are increasingly complex. There is room for the field structure to be more systematically mobilized. The chief aim will be to obtain governments' timely replies after complaints are first lodged. Efforts will be made to ensure that complainants and respondent governments are fully aware of procedures and receive appropriate assistance with freedom of association issues. This will involve cooperation with employers' and workers' organizations consistent with ILO support for institutions and processes for social dialogue.

Indicator 1c.4

Rate of response from governments for each supervisory body session.

Target

70 per cent for each session of the Committee of Experts.

Strategy

62. This target represents a notable improvement on current levels (60 per cent). Experience suggests that some governments are not sufficiently aware of their reporting obligations or lack capacity to comply. Assistance will be provided to field operations in their work with governments on responses, especially on those issues amenable to dialogue and action. Governments will be encouraged themselves, in cooperation with employers' and workers' organizations, to identify obstacles to the elaboration of timely, appropriate responses. The supervisory process will help to identify specific areas for the Office's technical assistance.

Indicator 1c.5

Improvements in the application of the fundamental Conventions noted in the biennium by the Committee of Experts.

Target

i) 20 cases of *satisfaction*;

ii) 90 cases of *interest*.

Strategy

63. The Global Reports under the Declaration follow-up, together with action plans for technical cooperation approved by the Governing Body, will lead to ILO actions that will assist States bound by the fundamental Conventions to overcome issues found by the supervisory bodies. Results are expected to be apparent to the Committee of Experts in subsequent examinations and the cases of *interest* will increase beyond the 40 expected in the 2000-01 biennium. Additional extra-budgetary resources would be used to address issues such as information and training on collective bargaining; research and advocacy on gender equality in employment; implementation of existing and new legislation in cooperation with the Social Dialogue Sector; employment and poverty eradication programmes to end worst forms of child labour.

Indicator 1c.6

Cases of progress in the implementation of Conventions other than the fundamental ones noted in the biennium by the Committee of Experts.

Target

i) 40 cases of *satisfaction*;

ii) 200 cases of *interest*.

Strategy

64. This target maintains the level of performance set for the 2000-01 biennium. Meanwhile, priority attention will be given to Conventions identified by the Governing Body which can help to map out the concept of decent work. Work will be undertaken with all sectors to pinpoint the main problems of implementation in varying development situations and suggest solutions that can then be put to the governments concerned with the help of the field structure. Presentation of this progress in the reports of the supervisory bodies will be more attractive, while a publications and communications strategy will be developed to make the supervisory process more widely known and effective.

Indicator 1c.7

Cases of progress noted in the biennium by the Committee on Freedom of Association.

Target

50 cases.

Strategy

65. Assistance will be offered, in cooperation with the employers' and workers' relations bureaux of the Social Dialogue Sector, to involve all national social partners in addressing the issues raised by the Committee on Freedom of Association (CFA). The follow-ups called for by the CFA will be highlighted in the reports for more particular discussion in the Governing Body, in order to obtain guidance as to how the progress sought might be achieved. The field structure's collaboration will be actively sought to give the necessary priority to freedom of association questions. Extra-budgetary resources and promotional means at the disposal of the Declaration IFP will be used wherever possible, in addition to a communications programme designed to make the work of the CFA and the principles it defends more well known. The baseline for this target in the 2000-01 biennium is 40 cases of progress.

EMPLOYMENT

MANDATE

"We commit ourselves to promoting the goal of full employment as a basic priority of our economic and social policies, and to enabling all men and women to attain secure and sustainable livelihoods through freely chosen productive employment and work."

(World Summit for Social Development: Commitment 3)

STRATEGIC OBJECTIVE

Create greater opportunities for women and men to secure decent employment and income

OPERATIONAL OBJECTIVES

ILO constituents are better equipped to analyse trends in national and global employment and labour markets, and to elaborate, advocate and implement effective strategies for the promotion of decent employment for men and women.

ILO constituents invest more in training and skills development to provide men and women improved and equal access to decent jobs.

ILO member States and constituents are better equipped to design and implement employment promotion programmes in the areas of enterprise development and employment-intensive investment, including in post-crisis situations, paying particular attention to the situation of women.

Strategic objective No. 2:

Create greater opportunities for women and men to secure decent employment and income

66. Closing the employment gap is at the heart of the decent work agenda. Unemployment has been falling in most industrialized countries, but worldwide more than one billion workers remain unemployed or underemployed. Gender remains a source of labour market inequalities and inadequately utilized human resources. Women continue to be employed in a narrower range of occupations than men and to be concentrated in lower-paid, insecure and unprotected jobs. Small enterprises often face barriers to establishment or growth in the formal economy and so a growing proportion of jobs is found in the informal economy. Labour markets in some countries are influenced by ageing populations and in others by rapidly expanding labour forces. The impact of HIV/AIDS is dramatic, particularly in sub-Saharan Africa. Natural and man-made crises often result in increased poverty, unemployment and social exclusion for large numbers of people.

67. These situations all exist in the larger context of the globalization of markets and products, capital and labour. The world is seeing a continuous geographic redistribution of work and more unpredictable patterns of job creation. New technologies and location-independent production and labour markets have a profound impact on the organization of work and the skills required. This particularly affects groups that are struggling to avoid exclusion from the labour market.

68. Globalization, new technologies, and rapidly changing labour markets and production systems, create both opportunities and challenges for employment. They require appropriate policy responses that enhance the possible benefits of increased trade and foreign investment, while reducing their potentially adverse effects, such as job losses due to restructuring and greater economic disparities. Those responses need to be defined at the national level to properly take into account local circumstances and to recognize that the ability of governments to apply traditional economic measures is changing.

69. An ILO comprehensive employment framework, developed in 2000-01, draws together the programmes of the Employment Sector into a coherent set of policy options, strategies and operational programmes, which will be effectively adapted to specific national and local conditions. The following major areas will be covered:

- Strengthening the ILO's knowledge of employment outcomes of different macroeconomic policies.
- Policies to promote enterprises, particularly micro, small and cooperative enterprises which have the biggest potential for creating new jobs.
- Policies to enhance knowledge, skills and employability for men and women.
- Promoting employment through reconstruction and employment-intensive investment.
- Improving livelihoods through micro-finance, self-employment, local economic development and other income-generating activities.
- Promotion of decent work through voluntary private initiatives and corporate social responsibility.
- Policies and programmes to promote gender equality in employment to translate key gender and employment perspectives in the context of decent work into mainstreaming policy and programme tools.

Table 5. Strategic resources for Employment by operational objective

	Proposed regular budget strategic resources (in constant 2000-01 US $)	Estimated extra-budgetary expenditure (in constant 2000-01 US $)
Operational objective		
2a Employment policy support	45,306,333	1,300,000
2b Knowledge, skills and employability	33,542,006	18,300,000
2c Employment creation	43,001,194	47,000,000
Total 2002-03	***121,849,533***	***66,600,000***
Revised 2000-01	***130,005,263***	***89,891,000***

70. This table gives the total strategic resources available for work on Employment. As explained earlier, the decline in regular budget resources does not concern technical programmes at headquarters but relates primarily to the decline in backstopping costs for technical cooperation, whether in ILO offices or in support services at headquarters. Estimates of total extrabudgetary expenditure fall by $23.3 million, primarily due to the decline in funding under the United Nations Development Programme. A number of areas where additional support is needed are identified below and will be followed up with donors.

Decent work

71. The sectoral contribution to decent work will consist of developing the inter-linkages and causal relationships between employment promotion and fundamental rights, social protection and social dialogue. Within the sector itself, the comprehensive employment framework outlined above will serve as the basis for advisory services for member States and interactions with other international organizations. The framework will also take into account the lessons learned from individual Country Employment Policy Reviews. On the basis of these assessments, a coherent set of priority targets in the area of employment policy, consistent with the ILO's overall goal of decent work, will be formulated.

72. Within this setting, increased attention will be given to national policies on more and better jobs for women. This will involve an integrated life-cycle approach to employment creation, raising awareness of fundamental rights at work, ensuring that women's employment improves family and child welfare, enhancing the protection of the most vulnerable, and promoting social dialogue.

73. Effective linkages and joint work programmes with the other sectors are equally essential to operationalize the decent work concept. Within the sector, the InFocus Programmes will take the lead in inter-sectoral cooperation.

74. The InFocus Programme on Boosting Employment through Small Enterprise Development will work closely with other InFocus Programmes including Promoting the Declaration, SafeWork and Strengthening Social Dialogue. The respective aims are to ensure that policies and programmes in the small enterprise sector will effectively promote the Declaration as a social floor; promote job quality, including social security, health and safety, and gender and family concerns; and that social dialogue is at the heart of the process to develop sustainable employment promotion policies and strategies. Likewise, the InFocus Programme on Crisis Response and Reconstruction will work closely with those on Child Labour, Promoting the Declaration and Strengthening Social Dialogue.

75. An inter-sectoral task force on decent work in the informal economy will ensure that research, policies and programmes targeting the informal economy constitute a coherent approach taking all the ILO's strategic objectives into consideration.

76. Other joint inter-sectoral initiatives will be developed with:

- The Standards, Fundamental Principles and Rights at Work Sector: research and action on measures to integrate fundamental principles and rights at work in employment strategies for decent work and to apply ILO standards through improvements at the workplace, and research on the links between women's employment and child labour.
- The Social Protection Sector: ensuring that policies and programmes to promote employment are underpinned by adequate systems for social protection, including: appropriate, productive and safe working conditions in small and medium-sized enterprises; adequate social protection for workers in micro and small enterprises; appropriate linkages between labour market and social security policies; development of effective policies for labour migration and the protection of vulnerable female migrant workers; collection and analysis of data on security and labour market flexibility; due attention to the effects of HIV/AIDS on the workforce and in the workplace.
- The Social Dialogue Sector: building the capacity of the social partners to participate effectively in the formulation and implementation of employment and productivity-related policies and programmes.

Operational objective 2a: Employment policy support

ILO constituents are better equipped to analyse trends in national and global employment and labour markets, and to elaborate, advocate and implement effective strategies for the promotion of decent employment for men and women.

Indicator 2a.1

ILO constituents that make use of the ILO knowledge base.

Target

Constituents in 30 member States.

Indicator 2a.2

Global and national employment policies that are influenced by recommendations of ILO policy advice.

Target

National employment policies in six member States.

Strategy

77. Indicator 2a.1 is new for this biennium and reflects the importance of the growing needs among constituents for easily accessible information on employment trends and good practices internationally. It also reflects the importance of a stronger knowledge base to support technical advisory work.

78. A basic element in fostering decent work is that policy-makers integrate employment as an overriding objective in their economic and social policy framework. To achieve this the ILO will support governments and social partners in articulating employment as a central issue in national and international policy-making underpinned by a strong knowledge base. Work will be guided by the Employment Policy Convention, 1964 (No. 122), the comprehensive employment framework described above and by the recommendations of the Global Employment Forum (2001).

79. As part of this, the Key Indicators of the Labour Market (KILM) programme will improve the availability, comparability, scope and geographic coverage of the gender-specific labour market information it captures. It will continue to provide support to users through the field structure. It will also focus on how States can better apply this and other labour market information to formulate and evaluate policies. Three new databases will be maintained and made electronically accessible. One contains country-level experiences in the implementation of the Employment Policy Convention, 1964 (No. 122), and the Human Resources Development Convention, 1975 (No. 142). Another concerns equal employment opportunities, based on country-level experiences with the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), and on data gathered at the enterprise level. The third provides information on the employment and labour aspects of voluntary initiatives by business.

80. To further strengthen the knowledge base, research will be undertaken to analyse which macroeconomic policy packages are most conducive to employment growth and poverty alleviation and under which conditions the employment consequences of globalization can be positive, given the widespread concern that these are often negative, especially for women. Another important element in a more strategic approach towards decent work and full employment is a well-functioning labour market. This requires labour market policies which allow firms to adjust to changing economic conditions while providing security for workers. Research in this area will not only help the ILO strengthen its role in advocating appropriate labour market policies but will also be an input to cross-sectoral activities on operationalizing decent work.

81. The World Employment Report will continue to serve as the main vehicle for disseminating ILO's position on employment issues and global labour market trends. In order to disseminate its findings as widely as possible the ILO will undertake major publicity drives and organize, with the field structure, seminars and workshops around the report.

82. Individual Country Employment Policy Reviews (CEPRs) will constitute a critical element in the operational design of a decent work strategy. At least four CEPRs will be conducted in collaboration with the ILO field structure, aiming at focusing the attention of governments, social partners and other institutions on employment issues. These will help to bring ILO experience in employment and labour market policies to bear on particular national situations and will be followed up with advisory services to help member States implement CEPR recommendations. In Africa, the Jobs for Africa programme will be the main vehicle to assist countries in developing and implementing effective policies for employment promotion.

83. Efforts will be intensified, in coordination with the International Policy Group, to play a greater role in international policy debates on the effects of globalization and macroeconomic policies, including financial sector reform, on employment, wages and poverty. To this end, cooperation with other international institutions such as the World Bank, the IMF, UNCTAD, WIDER and UNIDO will be strengthened.

84. $1 million in support from UNFPA is expected to be available to finance ILO labour and population specialists in UNFPA Country Support Teams and for inter-country activities geared towards meeting the goals of the Cairo Programme of Action adopted by the last International Conference on Population and Development in 1994 and reinforced by the Special Session of the General Assembly in 1999 for the review of progress on the implementation of the Cairo Programme of Action; $300,000 in extra-budgetary funding is expected to be available for employment policy advisory work.

85. An additional $4.5 million in extra-budgetary funding would allow research to be undertaken on the impact of HIV/AIDS on the labour market, particularly in Africa. The results of the research would form the basis for supporting at least three member States in adapting their labour market policies to effectively take into account the consequences of the pandemic.

Operational objective 2b: Knowledge, skills and employability

ILO constituents invest more in training and skills development to provide men and women improved and equal access to decent jobs.

The **InFocus Programme on Skills, Knowledge and Employability** aims to encourage policies and programmes that increase investments in effective, responsive training and human resource development, including for members of vulnerable groups.

Its work is largely addressed under Operational objective 2b.

Indicator 2b.1

ILO constituents that adopt policies and invest in improvements in the quality and effectiveness of skills development and training and employment services.

Target

ILO constituents in 15 member States.

Strategy

86. To obtain decent jobs, and thus escape poverty and exclusion, workers need to develop their skills. It is therefore essential for member States to develop and put into practice efficient and effective training systems. Guided by the Human Resources Development Convention, 1975 (No.142), and the Private Employment Agencies Convention, 1997 (No. 181), the ILO InFocus Programme on Skills, Knowledge and Employability will continue to help member States strengthen training policy frameworks and improve the design and delivery of skills development programmes. The programme will work with all major stakeholders concerned with skills development, including not only government institutions and employers' and workers' organizations but also enterprises, public and private training providers and employment services. Good practices in terms of investment

in training will be identified, differentiated by region, enterprise size and industry. Work will also continue on national qualifications frameworks and their comparability, taking into account professional competency standards and the recognition of prior learning. Given their relatively low cost and potentially huge outreach, particular emphasis will be placed on the innovative use of information and communications technologies in training and employment services. This is expected to increase the total impact under this indicator which explains the higher target compared to the biennium 2000-01.

87. Technical cooperation activities, expected to reach some $11.3 million in extra-budgetary funding, will focus on the development, testing and delivery of new training systems that respond to changing labour market trends and use up-to-date training and management techniques. Additional technical cooperation funds of $6 million would allow an update of the Modules of Employable Skills methodology, for use by training institutions in four additional member States.

88. Activities will be undertaken in close cooperation with national constituents. Partnerships between public and private training providers and employment services will be actively encouraged through a series of national and (sub) regional meetings. Cooperation with UNESCO in the area of technical and vocational education will be extended.

Indicator 2b.2

ILO constituents that adopt strategies to ensure that women in general, and persons with special needs, such as disabled, displaced and young and older workers, have access to training and skills development.

Target

Constituents in 15 member States.

Strategy

89. This indicator and target has been added to reflect the needs of members of groups who face particular difficulties in finding work, particularly women, young people, people with disabilities, displaced workers and older workers. To meet this challenge, guided in particular by the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), and the Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159), the ILO will promote lifelong learning and develop new approaches to help these workers become self-employed or set up their own small enterprises. Special emphasis will be placed upon promoting training and employment opportunities for informal sector workers, most of whom are women. Teaching core competencies, such as learning, communication and problem-solving skills, alongside technical skills, can transform what are often marginal, survival activities into decent work, fully integrated into mainstream economic life. Following its adoption in 2001, the Code of practice on managing disability in the workplace will be widely promoted. The ILO will also make an active contribution to the African Decade of Persons with Disabilities. Tools, such as information kits, practical guides, case studies and websites, will promote the adoption of best practices in employment and training services for members of groups with special needs.

90. Investment in skills development for the young is essential to overcome their high rates of unemployment. The ILO will continue to be an active partner in the High Level Policy Network on Youth Employment together with the United Nations, the World Bank, business, trade unions and other civil society organizations. The network aims to develop a concrete and concerted programme of action by all partners to tackle youth unemployment. As a follow-up to the High Level Policy Network on Youth Employment, additional extra-budgetary funding of $6 million would make it possible to develop innovative training programmes targeting young men and women, including those with disabilities, in their transition from school to work. The programmes would be integrated into national initiatives to tackle youth unemployment in four countries.

91. The ageing labour force in a growing number of countries has obvious implications for skills development and lifelong learning. The ILO will analyse the issues involved and contribute to the Second World Assembly on Ageing in Spain in 2002.

92. Extra-budgetary technical cooperation expenditure for activities in this area is expected to reach some $7 million, with a major focus on skills development for women, particularly those in

the informal sector. This activity will draw on work developed in consultation with the Turin Centre.

Operational objective 2c: Employment creation

ILO member States and constituents are better equipped to design and implement employment promotion programmes in the areas of enterprise development and employment-intensive investment, including in post-crisis situations, paying particular attention to the situation of women.

The **InFocus Programme on Boosting Employment through Small Enterprise Development** aims to encourage the creation of more and higher quality jobs in small enterprises, with attention to gender concerns and the ability of small-enterprise leaders to mobilize and represent their interests.

Its work is largely addressed under Indicator 2c.1.

This InFocus Programme will be evaluated in 2002-03.

Indicator 2c.1

ILO constituents and other institutions that apply ILO advice and practical tools for enterprise development.

Target

Constituents in 60 member States and institutions in 30 member States.

Strategy

93. ILO employment promotion efforts will continue to emphasize the creation of decent jobs through enterprise development, especially by small enterprises. A major element in the strategy is the promotion of legal and regulatory environments conducive to job creation in line with the Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189), and the revision of the Co-operatives (Developing Countries) Recommendation, 1966 (No. 127), to be adopted by the International Labour Conference in 2002, through country-level advisory services and (sub) regional conferences.

94. Since micro- and small enterprises employ the great majority of workers worldwide the InFocus Programme on Boosting Employment through Small Enterprise Development will continue to play a central role in the ILO's employment creation efforts. In addition, ILO training materials and tools for enterprise development will be updated and adapted to help enterprises improve their competitiveness and productivity in a rapidly changing market environment. Other planned activities include research on good practices, an expert meeting on cooperative enterprise development, capacity-building of micro-finance institutions and of organizations which provide business development services.

95. To further strengthen its advocacy role at the policy level, the ILO will also continue to play an active role in the UN Secretary-General's Global Compact and undertake further research and disseminate information on corporate citizenship and management practices which reflect ILO values in such areas as socially sensitive enterprise restructuring and supply chain management.

96. To improve the outreach and impact under this indicator, most activities will be undertaken in cooperation with other organizations and existing networks including the Donor Committee for Small Enterprise Development, OECD, UNIDO, UNCTAD, the International Cooperative Alliance and national and international productivity movements. A substantial part of the activities in the areas of small enterprise and cooperative development is funded from extra-budgetary resources, expenditure on which is likely to reach some $35 million. Additional extra-budgetary funding of $7.5 million would allow specific innovative programmes to be developed and implemented in the areas of local economic development, micro-finance and decent work in the infor-

mal sector, in at least five countries. The latter issue will be the subject of a general discussion at the International Labour Conference in 2002. The decent work agenda will be supported through inter-sectoral work on job quality, social protection and social dialogue in micro- and small enterprises and on the role of micro-credit and other financial instruments in empowering the poor. Gender concerns will be mainstreamed into all activities to ensure that the entrepreneurial potential, leadership and managerial skills of women are unlocked.

The **InFocus Programme on Crisis Response and Reconstruction** aims to ensure a capacity to respond well to crises by aiding the reintegration of those affected into society and the economy and a broader awareness of employment and social concerns in crisis situations.

Its work is largely addressed under Indicator 2c(2).

This InFocus Programme will be evaluated in 2002-03.

Indicator 2c.2

ILO member States that apply the ILO approach to employment-intensive investment, particularly in post-crisis situations.

Target

15 member States, of which six in crisis or post-crisis situations.

Strategy

97. Investment in employment-intensive undertakings, both public and private, is essential to poverty reduction. The ILO's strategy to promote such investment seeks to highlight the linkages between employment and poverty and to focus on development agendas on the creation of decent work, particularly in crisis-affected countries. The ILO will continue to promote employment-intensive approaches in public infrastructure investment that combine job creation with decent working conditions, without compromising on efficiency or productivity. It will also continue to strengthen the capacity of small contractors to bid on infrastructure projects and to execute such works in an employment-intensive fashion while safeguarding decent work principles. Greater participation of communities in the planning and implementation of local level infrastructure projects will be promoted, particularly in the context of social safety nets and reconstruction programmes after crises. Another important element of the strategy is the mainstreaming of gender concerns in employment-intensive infrastructure activities and ensuring women's participation through appropriate selection of schemes, women's representation in community-based organizations and non-discrimination in terms of pay, and access to jobs and training. Due to strengthened collaboration with the World Bank, it is expected that work related to this indicator will bring about a higher impact than in the 2000-01 biennium.

98. The InFocus Programme on Crisis Response and Reconstruction will continue to focus on the employment challenges posed by different types of crisis. It will promote employment-intensive investment, using decent work as an integrated and coherent approach for social and economic reintegration and reduction of vulnerability. Activities will include the development and updating of training manuals and generic guidelines; support to governments and other stakeholders in the design of policies and programmes to help overcome adverse consequences of crises on employment and livelihood; undertaking gender-sensitive needs assessment exercises in crisis situations; formulation and implementation of reconstruction and reintegration programmes; and strengthening cooperation with relevant UN and non-UN bodies.

99. Extra-budgetary funding for work in the areas of employment-intensive investment and reintegration of crisis-affected groups is likely to reach some $12 million during the biennium.

100. Additional funding of $7.5 million for technical cooperation activities would allow the design and execution of area-based reconstruction and reintegration programmes in at least five crisis-affected countries, based on an integrated approach to employment creation which combines investment in employment-intensive infrastructure reconstruction with skills training and small enterprise development activities.

101. The Jobs for Africa programme will be the main means of action to promote the ILO's employment strategy at the policy and operational levels in Africa. It will continue to promote employment-intensive investment in the context of different multilateral initiatives such as the Comprehensive Development Framework and the Poverty Reduction Strategy programmes and will assist member States in developing country action programmes. An additional $20 million in extra-budgetary funding would make it possible to enlarge the Jobs for Africa programme by ten additional countries.

SOCIAL PROTECTION

MANDATE

"The goals and objectives of social development require continuous efforts to reduce and eliminate major sources of social distress and instability for the family and for society. We pledge to place particular focus on and give priority attention to the fight against the worldwide conditions that pose severe threats to the health, safety, peace, security and well-being of our people."

(World Summit for Social Development)

STRATEGIC OBJECTIVE

Enhance the coverage and effectiveness of social protection for all

OPERATIONAL OBJECTIVES

Member States broaden the scope and the instruments of social security systems (including the informal sector and the working poor), improve and diversify benefits, strengthen governance and management, and develop policies to combat adverse effects of social and economic insecurity.

ILO constituents target and take effective action to improve safety and health and conditions of work, with special attention to the most hazardous conditions at the workplace.

Strategic objective No. 3:

Enhance the coverage and effectiveness of social protection for all

102. The need to improve social protection has been at the centre of ILO action since its inception. Despite economic and social progress, grave problems remain, including more than 1 million work-related deaths each year. Many workers, especially in the informal economy, have no basic forms of protection, while other workers face growing insecurity. It is increasingly clear that many government social protection programmes are not able to ensure the safety and security they promise, with some having effectively collapsed. Fiscal trends, the shift to less formal working relationships, increasing dependency levels and ageing are all putting pressures on the capacity of governments to finance social security systems.

103. Some significant concerns exist in all States. Women around the world face social protection concerns, whether through discrimination, lack of childcare access or minimal or non-existent maternity protection. Other concerns are most deeply felt in particular regions. For example, HIV/AIDS is a worldwide tragedy but one most deeply felt in sub-Saharan Africa where it has serious implications for social protection systems and the labour market.

104. The ILO is positioned to make an effective case for more widespread access to social protection programmes, both on the basis of human dignity and on the economic benefits. That case will be elaborated at the International Labour Conference in 2001 when the ILO expects to discuss the development of a framework for social security that is financially stable, socially effective and flexible enough to respond to national priorities and development levels. A key priority in that framework will be ensuring social security for all, including women and members of often-excluded groups such as migrants.

105. The ILO needs to better address labour protection needs, such as health and safety, in a time when traditional regulatory approaches are being liberalized and governments are using fewer resources for this purpose. With increased debate over the costs and benefits of labour protection, whether legislated or voluntary, the ILO will continue to make available practical, easy-to-use information and demonstrations of results, along with support for voluntary networks. A similar approach will be used in awareness and advocacy campaigns on HIV/AIDS and the world of work, based on the resolution adopted by the Conference at its 88th Session (2000).[1]

Table 6. Strategic resources for Social protection by operational objectives

	Proposed regular budget strategic resources (in constant 2000-01 US $)	Estimated extra-budgetary expenditure (in constant 2000-01 US $)
Operational objective		
3a Social security	23,269,638	9,000,000
3b Working conditions	34,101,517	12,300,000
Total 2002-03	***57,371,155***	***21,300,000***
Revised 2000-01	***58,128,262***	***19,643,000***

106. This table gives the total strategic resources available for work on Social Protection. The small regular budget decline of less than two percent relates to an adjustment in the composition of multidisciplinary teams in Africa together with pro rata changes in support services. Technical cooperation is expected to expand, in particular via the ILO programme on HIV/AIDS and the world of work. Other technical cooperation is expected to decline.

[1] GB.279/7.

Decent work

107. Social protection is inherent in the ILO's decent work strategy. Therefore ILO efforts will help to create international awareness of the existing shortcomings in social and working conditions, through country-based and global reporting. This will include the systematic compilation of information on socio-economic and labour security, and contributions to the measurement of decent work.

108. The ILO must also demonstrate that progressive social protection policies and the application of relevant international labour standards offer added net value, rather than cost. That will require ILO to support governments, employers and workers in compiling and using information, such as on best practices at the community, enterprise and national levels, and through technical cooperation.

109. In addition to the specific contributions described throughout this strategic objective, other intersectoral initiatives will include:

- with the Standards and Fundamental Principles and Rights at Work Sector, using technical cooperation and research on these subjects to strengthen the promotion and application of relevant Conventions on occupational safety and health and conditions of work;
- with the Employment Sector, ensuring that policies and programmes to promote employment are underpinned by adequate systems for social protection, including:
  - appropriate, productive and safe working conditions in small and medium-sized enterprises;
  - adequate social protection for workers in micro and small enterprises;
  - appropriate linkages between labour market and social security policies;
  - development of effective policies for labour migration and the protection of vulnerable female migrant workers;
  - collection and analysis of data on security and labour market flexibility;
  - due attention to the effects of HIV/AIDS on the workforce and in the workplace;
- with the Social Dialogue Sector:
  - the development of programmes on HIV/AIDS involving employers' and workers' organizations and labour administrations;
  - joint action on occupational safety and health, concentrating on key sectors such as mining, construction, forestry, chemicals and agriculture;
  - work on the role of employers' and workers' organizations in improving working conditions in both small and larger enterprises;
  - activities with employers' and workers' organizations to extend social protection in the informal sector.

Operational objective 3a: Social security

Member States broaden the scope and the instruments of social security systems (including the informal sector and the working poor), improve and diversify benefits, strengthen governance and management, and develop policies to combat adverse effects of social and economic insecurity.

The **InFocus Programme on Socio-Economic Security** supports research and programmes on innovative policies that enable member States, the social partners and others to establish or improve social and economic security policies and programmes, with special emphasis on the poor and disadvantaged.

Its work is largely used to inform activities under Operational objective 3a and is addressed under indicator 3a.3.

Indicator 3a.1:

Member States that adopt voluntary or public schemes, including improvement of existing social security schemes, to extend social security coverage to previously uncovered sections of their populations.

Target:

20 member States.

Strategy:

110. The regular budget underpins the programme while extra-budgetary resources provide funding for substantial operational activities, significantly through the STEP (Strategies and Tools against Exclusion and Poverty) programme and the special programme on the extension of social protection. During 2002-03, the ILO will address 15 voluntary and five public schemes through integrated research and advisory services. The goal will be to: improve the capacity of public social security schemes to provide protection to more people; promote and support the development of voluntary community-based schemes and identify innovative ways of extending coverage using linkages between public systems and community-based initiatives. Special emphasis will be placed on health care, unemployment and extreme poverty.

111. The ILO will also analyse existing efforts to extend social protection schemes and apply those experiences to promote similar development elsewhere. Strategic partnerships will be formed with employers' and workers' organizations as well as with NGOs, in order to promote the extension of coverage and the more effective administration of social security schemes. The STEP programme will play a key role, in particular, through facilitating access to health care for informal sector workers through community-based schemes. If additional extra-budgetary funds become available, $8 million would help to extend STEP in East and southern Africa, Central America and parts of Asia, with an orientation to the needs of women, children, home-based workers and rural workers.

Indicator 3a.2:

Member States that initiate actions to improve the financial architecture and governance of their national social security schemes and systems.

Target:

15 member States.

Strategy:

112. The ILO will increasingly fund the activities linked to this target, which is unchanged from 2000-01 levels, through cost-recovery mechanisms on a case-by-case basis to compensate for decreasing extra-budgetary resources. Two additional priorities will be pursued. One will be global reporting on the effectiveness and efficiency of national social protection systems as an element of the decent work agenda. The other will be the development of methodologies for the rapid assessment of the impact of HIV/AIDS on social protection schemes. Quantitative analyses in selected countries will help to alert constituents to the economic costs of that pandemic. Similar quantitative analyses will be used to support the Office activities on gender, migration, the extension of social protection and the World Bank's poverty reduction strategy.

113. ILO assistance to member States will combine diagnostic, advisory and capacity-building services, as well as direct implementation of assistance in cases of social and governance crisis or specific requests from governments, social security institutions or social partners. National social expenditure and performance reviews will continue to be a major component of the ILO assistance as these can help to guide subsequent policy choices. Building national capacity to plan and manage social protection initiatives will be achieved through a major training initiative (QUA-TRAIN) to transfer knowledge and methodologies to financial planners in developing countries.

114. If additional extra-budgetary funds become available, $2 million could be used to test an approach that could close an important gap in social protection. The ILO wants to explore and analyse the concept of a Global Social Solidarity Trust Fund which could be built on the solidarity

of people in the industrialized world with those in the developing world. This could finance basic social safety nets for countries with economies that are presently too fragile to finance effective basic social protection programmes (for example for AIDS-stricken families or AIDS orphans). It also could support improved national social governance.

115. If additional extra-budgetary funds become available, another $2 million could be used to establish an actuarial services revolving fund. Low-income countries could draw on that fund to pay for the ILO's professional actuarial advisory services they need to strengthen the financial management and governance of their social protection schemes but that cannot be met through the ILO or the schemes' regular budgets. Repayment would come when schemes have achieved greater stability or from schemes that have already achieved that status.

Indicator 3a.3:

Member States where data are generated and used to develop strategies and policies to combat economic and social insecurity

Target:

12 member States.

Strategy:

116. Research and analysis will address the extent, structure and coverage in selected countries of existing socio-economic security schemes, as well as the impacts on groups of people who are not covered. That information will enable better ILO advocacy and improved ILO professional expertise in advising and assisting constituents to introduce broad socio-economic security policies and practices.

Operational objective 3b: Working conditions

ILO constituents target and take effective action to improve safety and health and conditions of work, with special attention to the most hazardous conditions at the workplace.

The **InFocus Programme on Safety and Health at Work and the Environment (SafeWork)** targets improvements in preventive policies and programmes such as voluntary application of safety and health management systems, workers' health promotion and environmental issues in the world of work. These efforts are predicated on promoting the application of ILO standards. The goal is to extend the protective coverage and to demonstrate that safety pays.

Its work is largely addressed under Indicators 3b.1 and 3b.2. This InFocus Programme will be evaluated in 2002-03.

Indicator 3b.1:

Member States in which constituents strengthen their occupational safety and health capacity through ratification and application of ILO standards, and the implementation of codes and guides, as well as information and statistical tools and methods on safety and health.

Target:

40 member States.

Strategy:

117. Support for improved occupational safety and health is among the ILO's most high-profile roles. The priority attached to this field is clear from the Governing Body decision to make occupational safety and health the first focus for work on an integrated approach to standards setting. The

discussion at the 2003 Conference is expected to lead to a programme of action on occupational safety and health standards setting and consideration of how to increase the impact of these standards. While that work takes place, efforts will continue to address ongoing operational objectives.

118. The target for 2002-03 will be achieved through a strategy grounded in the promotion of ILO standards and on knowledge, advocacy and "soft" standards such as guidelines and codes of practice. Promotional campaigns will follow the expected adoption in 2001 of a new ILO standard on Safety and Health in Agriculture, Guidelines on Occupational Safety and Health Management Systems and on the recording and notification of occupational accidents and diseases.

119. Capacity-building activities in selected countries will seek to improve the efficiency of national inspection services. Collaboration with ILO field structures will enable technical and advisory services to support national tripartite efforts to review and strengthen national safety and health schemes in selected countries. That support will improve policy frameworks, enhance the national analytic capacity, knowledge management and create modern information, networking, training and other support mechanisms. The ILO will also make efforts to integrate occupational safety and health issues into broader concerns such as the environment, workers' health promotion, HIV/AIDS and enterprise culture and management.

120. If additional extra-budgetary funds become available, approximately $5 million could be used to assist member States to revise safety codes and regulations, strengthen national inspection services, provide easy-to-use safety information to enterprises and trade unions and prepare and analyse occupational safety and health statistics.

Indicator 3b.2:

Member States in which national programmes of action are launched for selected industries and hazardous agents.

Target:

8 member States.

Strategy:

121. The target for this indicator will remain at its 2000-01 level. The ILO strategy will continue to be based on data collection, analysis and dissemination of practical approaches, good practices and solutions to extending labour protection to uncovered workers working in hazardous industries or with hazardous agents. The ILO will provide technical assistance to member States as they put national programmes of action into place or reinforce existing plans. Some will be comprehensive; others will be sectoral in areas such as mining, construction and agriculture, while others will concentrate on specific issues such as chemical safety, asbestos or silicosis.

122. If additional extra-budgetary funds were to be made available, approximately $2 million could be used to assist member States to both implement national programmes of action as well as to extend the scope of the programmes.

Indicator 3b.3:

Member States in which local institutions are using ILO tools and methodologies to improve working conditions in small-scale enterprises and the informal sector.

Target:

8 member States.

Strategy:

123. The work towards this target will centre on technical and advisory services from various sectors in headquarters and the field to support constituents to develop national databases on working conditions improvements and best practices. New tools and modules will be developed within the context of the WISE Work Improvement in Small Enterprises programme to enable institutions, employers' and workers' organizations and member States to adopt effective programmes to improve working conditions in small and medium enterprises. An evaluation of WISE will also take

how to adapt the programme to micro-enterprises and the informal sector as well as how to ensure better sustainability. WIND (Work Improvement in Neighbourhood Development), the programme targeted to improving working conditions in neighbourhood development for small farmers and their families and rural informal sector workers, will be developed further and prepared for international use on the basis of pilot-testing in selected countries.

124. The success of WISE to date suggests that $3 million in additional extra-budgetary resources could be used effectively, if available. Of this, $1 million would test a new programme for subsistence farmers, the informal sectors and small-scale enterprises in Asia, Africa and Latin America.

Indicator 3b.4:

Member States that ratify and apply ILO standards on work and family, maternity protection, and working time, and in which relevant data on these issues are generated and used in policy formulation.

Target:

15 member States.

Strategy:

125. The number of targeted member States will increase from ten to 15 based largely on the momentum built up over the 2000-01 biennium on maternity protection and the past work done on work and family.

126. Ratification and application of the Maternity Protection Convention, 2000 (No. 183), will be a specific priority in this work. As part of overall advocacy, the ILO will emphasize expanding awareness among constituents of the economic and social benefits of this and related standards and will strengthen linkages with the ILO's constituents, women's groups, NGOs, WHO, UNICEF and other organizations.

127. The ILO will analyse and disseminate relevant information on working time, non-standard working arrangements and work and family through a newly developed integrated database. This will require intersectoral collaboration to improve data capture mechanisms for non-standard working arrangements in labour force surveys. Over time, the results of this analysis will assist member States to revise their labour legislation and to develop new policies that better reflect actual work practices at enterprise level. It will also inform future ILO work on how to extend protection to the increasing number of workers in these situations.

128. If available, an additional $3.5 million in new extra-budgetary resources would lead to ILO action on two issues. The first would seek to improve maternity protection in eight southern African countries, including ratification of Convention No. 183 in at least 2 member States. The second would expand the surveys and studies on diverse working patterns and work arrangements, with expected impacts in an additional 15 to 20 countries.

Indicator 3b.5:

Member States that establish policies and programmes for equal treatment of women and men migrants and against their trafficking.

Target:

8 member States.

Strategy:

129. This target will remain the same as in 2000-01, given stable ILO funding. The ILO will continue to identify and document highly exploitative forms of employment of migrant labour. Work in selected countries will involve collaboration with tripartite partners. The expected ultimate results will be local solutions and effective measures and procedures to cover migrant workers

under national labour protection laws. Those results should contribute to the global campaign against racism and to action against the international trafficking of women for prostitution.

130. Information dissemination will be an ILO priority, with expanded work to document good practices at the enterprise level and model legislation and programmes to combat discrimination in employment against immigrants. This information will be made available through a comprehensive website and publications. Extra-budgetary resources will be sought to support research on how globalization, on the one hand, and the growth of the "new economy", on the other, are affecting migration pressures. This research could contribute to policy development in fields ranging from immigration and human resources development to strategies for implementing trade liberalization and structural adjustments.

Indicator 3b.6:

Member States that have incorporated world of work component and workplace initiatives, involving ILO tripartite constituents, into their national action plans to combat HIV/AIDS.

Target:

20 member States.

Strategy:

131. This is a new field of action by the ILO in response to the global challenge of the HIV/AIDS pandemic. It is expected that extra-budgetary support for the new ILO Programme on HIV/AIDS and the World of Work will increase substantially during 2002-03. These resources will enable the ILO to respond to the requests for assistance in some 20 member States, especially in Africa.

132. The ILO's strategy is to raise awareness, mobilize support and political commitment among the social partners to address HIV/AIDS in the world of work through more effective national action plans. Specifically, the ILO will support the efforts of member States to develop and test a methodology to collect information and monitor trends. An ethical and legal framework based on ILO standards will be developed to address the problems of discrimination and social exclusion in the workplace and to define the rights and responsibilities of workers and employers. To facilitate implementation of the overall framework at the enterprise level, practical guidelines in the form of an ILO code of practice on HIV/AIDS in the workplace will be promoted. Technical cooperation will strengthen the capacity of labour ministries, employers' and workers' organizations, and informal sector operators to deal with HIV/AIDS in the workplace through policies and programmes aimed at prevention, care and support. To ensure sustainable capacity building, the ILO global programme will include a substantial advocacy and knowledge component concerning the pandemic's economic, social and labour implications. This will include attention to impacts at national, enterprise and community levels.

SOCIAL DIALOGUE

MANDATE

"... the war against want requires to be carried on with unrelenting vigour within each nation, and by continuous and concerted international effort in which the representatives of workers and employers, enjoying equal status with those of governments, join with them in free discussion and democratic decision with a view to the promotion of the common welfare."

(Declaration of Philadelphia)

STRATEGIC OBJECTIVE

Strengthen tripartism and social dialogue

OPERATIONAL OBJECTIVES

The representation, services and influence of the social partners are strengthened.

The legal frameworks, institutions, machinery and processes for social dialogue are strengthened.

Strategic objective No. 4:
Strengthen tripartism and social dialogue

133. Social dialogue reflects the basic ILO constitutional principle of tripartism, and is thus at the core of ILO action. It is a strategic objective in its own right and a fundamental process for achieving all ILO objectives. However, many countries face difficulties in using social dialogue to its full potential. Today, there are three major factors that help to explain that situation and that ILO work is expected to influence for the better.

134. The first factor is the lack of effective social dialogue frameworks and institutions in many countries. Many governments are not committed to meaningful dialogue with the social partners on social and economic policy issues. This can be reflected in a lack of guarantees for freedom of association and collective bargaining, especially where the public sector is the major employer and where informal employment is common. Even when those guarantees exist and are normally respected, privatization and public sector reform processes have often proceeded without the degree of social dialogue for more positive outcomes.

135. The lack of effective social dialogue frameworks and institutions can also result from cases in which employers' and workers' organizations are neither strong nor independent of government influence. Even where the climate is more supportive, employers' and workers' organizations often lack broad membership bases and effective services. Many find they have less influence over policy decisions than they once did and some lack a capacity to address increasingly complex policy debates.

136. The second factor is rapid change in the traditional environment for social dialogue, due partly to globalization. National and industry-level collective bargaining is giving way to enterprise level decision-making and more fragmented labour markets. Governments often take a less active role in the labour market and their labour ministries usually have minimal influence on major government economic and social policy choices. Key decisions are being made by the many new or growing regional or subregional organizations that may or may not involve a role for social partners.

137. The third factor concerns representation and links to other groups. For example, labour ministries and employers' and workers' organizations do not always address issues of particular concern to women effectively. This reflects the low representation of women as participants and decision-makers in many organizations. Some of these organizations also need to develop effective strategies to work with the many groups in civil society with interests in workplace, social and economic issues.

Table 7. Strategic resources for Social dialogue by operational objective

		Proposed regular budget strategic resources (in constant 2000-01 US $)	Estimated extra-budgetary expenditure (in constant 2000-01 US $)
Operational objective			
4a	Stronger social partners	60,915,313	15,000,000
4b	Strengthening governments and the institutions of social dialogue	34,832,160	5,220,000
Total 2002-03		***95,747,473***	***20,220,000***
Revised 2000-01		***93,883,233***	***24,513,000***

138. This table gives the total strategic resources expected to be available for Social Dialogue. The increases in regular budget resources relate primarily to the contribution of cross-cutting programmes, adjustments in the composition of regional technical staff and pro rata changes in support services. It is expected that the projected fall in extrabudgetary expenditure will be compensated by work funded in relation to the Declaration, especially for strengthening of employers' and workers' organizations, labour legislation, labour administration and industrial relations.

Decent work

139. Promoting a participatory process that gives a voice to those most directly involved in the world of work is essential to the conceptual framework of decent work. This cannot take place in a vacuum. ILO activities in support of social dialogue exist to strengthen the capacities of partners to achieve specific decent work priorities at a national, regional or sectoral level. They are also meant to bring the experience of working men and women to the global forefront.

140. To do so, the ILO will expand its research base and its work with other international organizations, especially those most involved with economic and social development. It will continue its support to workers' and employers' organizations and labour ministries that are faced with the challenges of a rapidly evolving environment. Much of this work will take place through cooperation under all strategic objectives and will involve collaboration between headquarters and field operations. Mostly it will centre on helping to build coherent country-level strategies for decent work based on full participation of social partners. The ILO's work on sectoral activities will require action under each of the strategic objectives, guided by the selection of agenda items for sectoral meetings by the Governing Body and by the results of those meetings. Coordinated work on social dialogue to promote decent wages through wage-fixing machinery and collective bargaining, including reducing the persistent gender wage gap will be other priorities. In addition to the specific actions described throughout this strategic objective, other inter-sectoral collaboration will include:

- with the Standards and Fundamental Principles and Rights at Work Sector: promoting fundamental principles and rights at work as the underpinning of successful social dialogue, the participation of employers' and workers' organizations in action under the Declaration and IPEC, as well as in standard setting, supervisory processes and action to improve the application of standards;
- with the Employment Sector: building the capacity of the social partners to participate effectively in the formulation and implementation of employment and productivity-related policies and programmes;
- with the Social Protection Sector:
  - the development of programmes on HIV/AIDS involving employers' and workers' organizations and labour administrations;
  - joint action on occupational safety and health, concentrating on key sectors such as mining, construction, forestry, chemicals and agriculture; and
  - work on the role of employers' and workers' organizations in improving working conditions in both small and larger enterprises.

Operational objective 4a: Social partners

The representation, services and influence of the social partners are strengthened.

Indicator 4a.1:

Employers' or workers' organizations that provide new or improved services to their members or strengthen their capacity to provide such services.

Target:

Employers' organizations in 20 member States.

Workers' organizations in 30 countries.

Indicator 4a.2:

Employers' or workers' organizations that take policy or practical initiatives to extend representation of their organizations.

Target:

Employers' organizations in 10 member States.

Workers' organizations in 30 countries.

Indicator 4a.3:

Member States in which the social partners have greater capacity to influence economic and social policies and programmes.

Target:

15 additional member States.

Strategies:

Employers' organizations

141. The ILO strategy to support the development of employers' organizations and to attract new members to those groups will continue to stress strategic planning and in-depth dialogue that will enable identification of the priorities of specific organizations. This will primarily take place through the work of the Bureau for Employers' Activities in collaboration with field specialists.

142. Achievement of this operational objective is critically linked to the improved management of employers' organizations. Accordingly, the main vehicles will be: staff training, support for networking with other employers' organizations and institutions, building or improving organizational information and applied research capacities, support for service development through information, research and training materials, and strengthening the organizational capacity to bring about the changes needed for business and socio-economic development.

143. One way that ILO will support the delivery of new or improved services will be by using case studies on benchmarked best practices in employers' organization services that will be available by the end of 2001.

144. Support will be provided to employers' organizations to enable them to develop services, including for small enterprises. As part of that, work will take place to diagnose or identify obstacles to attracting small enterprises as members and programmes will be designed to assist in the promotion of women's entrepreneurship. The benefits of those services should help to attract new members to these organizations, including enterprises headed by women.

145. Employers' organizations will receive support on human resource management issues for members to apply in their own workplaces. The values expressed in the ILO Declaration on Fundamental Principles and Rights at Work will figure prominently in this work. Employers in developing and transition economies will have access to training on international labour standards issues, based on a Bureau publication.

146. The ability of employers' organizations to participate effectively on behalf of members through social dialogue on enterprise growth and development, competitiveness and labour market issues is important. The ILO will work with employers' organizations to enhance the technical competencies of these organizations on topics that are often the focus of dialogue, such as competitiveness policies and labour law and relations reform. In particular, this should help them better influence the policy environment and deal with specific opportunities and situations at the national level.

147. If additional extra-budgetary funds become available, employers' organizations are interested in using $2.8 million towards four specific activities: support for campaigns to address HIV/AIDS in the workplace in Africa and Asia to complement the larger HIV/AIDS strategies; assistance in improving understanding and application of the Declaration among employers; projects through which employers' organizations would foster entrepreneurship among women, and expanded technical cooperation to help more employers' organizations participate effectively in social dialogue on competitiveness and labour law and relations issues.

Workers' organizations

148. The ILO will continue to use a comprehensive strategy to support workers' organizations in providing new or improved services and in extending their representation, primarily through the work of the Bureau for Workers' Activities. That strategy will be proactive in identifying opportunities to advance the decent work agenda and responsive to requests for specific assistance. It will

involve collaboration with workers' organizations, international trade union organizations and all ILO sectors and field offices. Most of the work towards targets will be achieved through technical cooperation.

149. In many cases, the focus of efforts will be to support the continuing development of existing workers' organizations. This will include work in countries with several main trade union federations to bring those groups together to develop strategies for new or improved services. As part of this, the bureau and worker specialists in the field will assist national trade unions to adopt strategic planning. Combined with targeted workers' education activities, these efforts will enhance the coherence and focus of trade union efforts through better coordinated activities.

150. The ILO will continue to provide basic, medium and advanced workers' education programmes to trade union representatives, especially in developing and transition economies. Attention to topics such as basic workers' rights, representation and trade union organization, industrial relations, collective bargaining and grievance handling all support the ongoing services of unions. They are essential to ILO work to help foster new trade unions, such as those emerging in Cambodia and East Timor.

151. New publications will be developed to support workers' education. Expected issues for this will be workers and HIV/AIDS, migrant workers and social security. Website access to publications will be provided in cooperation with the Turin Centre. The ILO will promote distance education using new communication technologies to expand constituent access to adult and workers' education sources. Assistance in promoting and upgrading the use of information technology in workers' education, particularly in developing countries, as well as in the general administration of trade unions will be a focus of some technical cooperation activities.

152. Beyond these traditional roles of workers' education, a programme of research will help to strengthen the capacity of trade union organizations to participate effectively in debates on globalization and the new financial architecture. The research will contribute to the elaboration of proposals for policy changes with international trade union organizations and their national affiliates. The results will be disseminated at sectoral, national and regional levels.

153. As part of assisting workers' organizations to mainstream gender issues, trade unions will be encouraged to pursue strategies to attract more women as members, by focusing on work settings that are more predominantly female. Through workers' education programmes, trade unions will also have tools to support greater involvement and leadership by women.

154. All these programmes are increasingly expected to have impacts outside the traditional workplace. They will enable trade unions and their members to be more effective partners in social dialogue across all decent work issues. Consistent with that orientation, support for education on organizing techniques will increasingly address the new contexts arising from, for example, structural adjustment, industrial restructuring and privatization.

155. Workers' organizations will also receive support to reach out to groups of workers who may not be in the formal sectors that they typically represent. Work to address the needs of women, youth, rural workers and those in the informal sector will help to build a stronger voice for people facing social exclusion.

156. If additional extra-budgetary funds become available, the Bureau and workers' organizations have identified five specific activities that would require $4 million. These are: additional support for campaigns to address HIV/AIDS in the workplace with action plans for workers and workers' organizations; support for workers' organizations to understand and address information technology issues; greater support for projects to act on decent work issues for rural workers; expanded support for occupational safety and health issues including "greening" working environments, and initiatives to enable workers' organizations to better represent migrant workers and their concerns.

Operational objective 4b: Governments and institutions of social dialogue

The legal frameworks, institutions, machinery and processes for social dialogue are strengthened.

The **InFocus Programme on Social Dialogue** aims to promote the benefits of social dialogue across the social and economic agenda, strengthen the institutions of social dialogue and strengthen the parties to social dialogue.

Its work is largely addressed under Operational objective 4b and is critical to the approaches for all strategic objectives.

Indicator 4b.1:

Member States that ratify ILO Conventions addressing the institutions or practice of social dialogue.

Target:

10 ratifications of Convention No. 144.

15 ratifications of Conventions covering specific sectors.

Strategy:

157. Freedom of association is central to social dialogue and to progress on the decent work agenda. Therefore, the ILO will promote the ratification of international labour standards relevant to social dialogue with a particular focus on the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144). This will take place through a ratification initiative in cooperation with the ILO constituents at the national level. That initiative will raise the awareness of sectoral partners and bipartite and tripartite bodies on how they can become involved in ratification processes. It will engage labour ministries, parliamentarians and parliamentary bodies. This will be supported through the development of advocacy materials. Similar approaches will be used in a collaborative effort to promote the ratification and implementation of the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), and other ILO Conventions.

Indicator 4b.2:

Member States that adopt legislation based on ILO standards and advice, with the involvement of the social partners.

Target:

10 additional member States.

Strategy:

158. Labour legislation is a constitutional obligation, a major means to implement the decent work agenda and a way to promote the Declaration. So, the ILO will continue to respond to member States with assistance on the adoption, reform or enforcement of labour legislation that fully reflects international labour standards. Most of this work takes place through extra-budgetary resources.

159. To help achieve the target, a comparative study will be published by the end of 2003 on national and regional labour law reform. It will identify lessons learned, issues of concern to workers' and employers' organizations and the impact of social dialogue. The results should promote social dialogue on labour law reform and contribute to active ILO participation in subregional and regional economic integration processes.

160. Because privatization and restructuring have made the public sector a significant focal point of labour legislation issues, the ILO will provide technical assistance to enable governments, as

employers, to engage in more effective social dialogue with their employees during periods of structural adjustment and transition. This will include promotion of the Labour Relations (Public Service) Convention, 1978 (No. 151), and sectoral standards as part of assistance to strengthen labour ministries and the labour policies and practices of other government departments. The findings of comparative research of public service legislation and practice in selected countries will be used to support these and related advisory services.

161. If available, an additional $2 million in new extra-budgetary resources would provide technical assistance and support to assist ten more countries to improve labour legislation within the decent work framework.

Indicator 4b.3:

Member States that establish or strengthen legal frameworks, institutions, machinery or processes for social dialogue.

Target:

20 additional member States.

Strategy:

162. The ILO is increasingly building a capacity and information base to support structures and processes for better social dialogue at all levels, including national, sectoral and enterprise. In 2002-03, some ILO dialogue-building activities will cover the forestry, construction and agriculture sectors as well as service sectors such as education, health and postal services. Other initiatives are expected in sectors where workers' and employers' organizations have shown an interest in bipartite cooperation. Projected sectors for these global initiatives include the maritime sector (including fishing), the chemical industry and transport. Other work may take place regarding social dialogue on employment and human resources development issues in sectors undergoing restructuring and privatization. The ILO will also promote social dialogue in its actions supporting the Declaration, on child labour and on HIV/AIDS.

163. An information base will be developed as an aid in strengthening the institutions, machinery and processes of social dialogue. This will take place by documenting comparative experiences, information exchanged at meetings, and case studies analysing the factors contributing to the success or failure of social dialogue. Research results will be used in ongoing technical assistance and should help to improve institutional effectiveness. They will support the establishment and strengthening of dispute settlement mechanisms and tripartite wage-fixing machinery and will be applicable to capacity building on conciliation, mediation, negotiation and collective bargaining skills across all strategic objectives. Training programmes for strengthening social dialogue institutions will be developed in collaboration with the Turin Centre.

164. Research and analysis of social dialogue issues and impacts will help inform choices on the decent work agenda. For example, the role and impact of corporate voluntary initiatives in furthering social dialogue will be assessed, helping to shape the content of expected publications on voluntary private initiatives in specific industrial and service sectors. The impacts of various forms of social dialogue on the competitiveness and productivity of enterprises and their effect on the improvement of working conditions will be studied as will experience with strategic partnerships between the tripartite parties and civil society organizations. Networking with universities and other educational institutions will promote a culture of social dialogue.

165. Additional extra-budgetary resources could capitalize on the interest which exists to support projects promoting sound systems of industrial relations, including effective bipartite and tripartite social dialogue institutions, in targeted countries of three regions: Arab States, South Asia and CIS countries. The projected cost of these projects totals $7.5 million.

166. Another productive use of any new extra-budgetary resources would be to follow up the results of recent sectoral meetings. Specifically, up to $2 million would support improved promotion and training on safety and health in the South Asian ship-breaking industry. Activities to promote the adoption, awareness and enforcement of maritime labour standards, to apply the decent work agenda onboard ships and to expand the Portworker Development Programme could take place for $1.2 million. Support for countries dealing with job losses in the fishing sector and

strengthening employers' and workers' organizations in that sector can be pursued effectively for $450,000. For example, a project in China costing $1 million could, with the involvement of the tripartite constituents, develop a programme of action and implement pilot activities on mine safety. Collaboration with SafeWork is foreseen. Finally, an additional series of projects valued at $1 million would enable the ILO to help address recognized education issues through pilot projects on lifelong learning, HIV/AIDS, health, safety and social dialogue in that sector.

Indicator 4b.4:

Member States in which social dialogue institutions or processes specifically address gender issues.

Target:

15 additional member States.

Strategy:

167. Gender issues will be integrated throughout social dialogue efforts. An important contribution to this work will be a major report on the participation of men and women in trade unions, employers' organizations and labour ministries, including in leadership positions. This report to be published by the end of 2003 will include baseline data, compiled by region. It will offer comparative experiences on the mechanisms and strategies that bipartite and tripartite institutions use to promote gender equality. It will identify positive uses of social dialogue to address gender equality issues as well as practical strategies for mainstreaming gender concerns.

168. Technical assistance to strengthen the capacity of labour administrations, workers' and employers' organizations to address gender issues will result in an integrated approach in selected countries. This will include national campaigns to increase women's participation in social dialogue institutions, to be organized with constituents and women's associations.

169. To expand action in this area, $1.5 million in additional extra-budgetary support could be quickly applied to a project covering five countries. It would provide technical assistance to help define and elaborate rules and policies regarding gender issues, with the involvement of labour administrations and social partners.

Indicator 4b.5:

Member States that ratify or take practical steps to apply the Labour Administration Convention, 1978 (No. 150).

Target:

10 additional member States.

Strategy:

170. The ILO will draw on field and sector expertise to identify and act on opportunities to promote the ratification of the Labour Administration Convention, 1978 (No. 150). A collaborative approach will be used to support application of that Convention, to promote the Declaration and to strengthen the service role of labour administrations more generally, with an emphasis on issues such as labour inspection and employment services. Technical cooperation programmes will assist ministries and agencies in charge of labour policy and administration to audit and strengthen their administrations. Those programmes will include a special emphasis on strengthening the capacity to address gender issues and to design and implement policies to promote gender equality.

171. The work to support the role of labour administrations as vehicles for encouraging social dialogue represents a valuable potential use of new extra-budgetary resources. In particular, the ILO is prepared to launch a project to assist labour administrations in five countries to introduce new and comprehensive initiatives to begin, promote or enhance social dialogue between private sector employers and workers at an expected cost of $2 million.

Indicator 4b.6:

International organizations and regional or subregional groupings that integrate social dialogue into labour-related policies, action plans and institution building.

Target:

2 international organizations.

5 regional or subregional organizations.

Strategy

172. International, regional and subregional initiatives on labour have important implications for workers and employers. This underscores the critical need to bring social dialogue to bear well beyond the traditional ILO bipartite and tripartite networks. For that reason, the ILO will improve its links to international financial institutions, such as the World Bank, and to UN specialized agencies, such as WHO and UNESCO, to encourage greater use of dialogue mechanisms that engage all social partners.

173. The ILO will match that with technical assistance to social partners so that they can contribute more effectively to analysis and action related to the national, regional and global work of international financial institutions and UN specialized agencies. That assistance will also enable social partners to deal with initiatives linked to regional and subregional economic and social organizations. This will involve ensuring that ILO staff and constituents know more about the policies and activities of these organizations, especially as they relate to social and labour issues. This will be reinforced by improved Office-wide coordination for information sharing and identification of opportunities for collaboration with those institutions. Research will address experience with social dialogue in multi-country sectoral agreements and in economic and social pacts at the national, subregional and regional levels.

174. The ILO will also show how social dialogue can have positive impacts through sectoral dialogues. For example, facilitating social dialogue on occupational safety and health in sectors such as construction, forestry, mining, chemicals, maritime (including ship-breaking) and agriculture at the international and national levels should provide opportunities for tripartite agreements on areas in which social partners can work together to promote decent work.

CROSS-CUTTING ACTIVITIES

DECENT WORK:
INTER-SECTORAL
OPERATIONAL SUPPORT

GENDER EQUALITY

STATISTICS

INTERNATIONAL INSTITUTE
FOR LABOUR STUDIES

INTERNATIONAL TRAINING
CENTRE OF THE ILO, TURIN

EXTERNAL RELATIONS
AND PARTNERSHIPS

COMMUNICATIONS

Cross-cutting activities

175. Consistent with the ILO commitment to learn from its experience with strategic budgeting and to align activities with operational priorities, and with the Governing Body discussion of the Strategic Policy Framework, a number of institutions, departments and activities are now seen as having cross-cutting importance for the achievement of the decent work agenda.

176. In particular, there are now three types of cross-cutting activity in plans for 2002-03:

- shaping the ILO agenda;
- expanding knowledge; and
- improving awareness of ILO perspectives.

While the first two were identified as cross-cutting activities for 2000-01, the third has been added for 2002-03 because of its strategic importance to achievement of the decent work agenda.

Shaping the ILO agenda

Decent Work: Inter-sectoral Operational Support

177. The Strategic Policy Framework described how decent work would be approached at four levels simultaneously: conceptually in the programme of the Institute, in collaborative activities across the four technical sectors, as a component of the ILO's work on the global economy and in practical action at the country level. These components of decent work need to be coherent with each other. It is important, for example, that the results of conceptual and research work be inserted into action taken at the country level. Innovative integrated approaches to decent work must be developed which are convincing to donors and to recipient countries. ILO capacities for technical cooperation and policy advice need to be expanded and aligned with the decent work agenda.

178. More specifically, the programme will lead joint action taken between headquarters and the regions for work at the country level, technically and operationally. It will provide support to the decent work teams in the regions. It will promote decent work as an integral part of UN system-wide priority setting, such as the poverty reduction and human development strategies developed by the World Bank and UNDP. It will stimulate and undertake innovative work on technical cooperation as a follow-up to decent work missions and support the implementation of cross-sectoral programmes. Finally, it will be responsible for assessing the overall capacity of the ILO in achieving effective integration of the four strategic objectives in policy and operational terms.

Gender equality

179. Progress toward gender equality is uneven internationally and women usually still fare worse than men in the economy and society. The ILO approach to gender equality is based on an integrated approach that reflects principles of equal rights and partnerships between men and women. Gender issues are understood as central to the decent work agenda at the national and international levels.

180. The Strategic Policy Framework sets out a comprehensive set of initiatives designed to address key gender equality priorities in the ILO context. Those initiatives are integrated into the workplans under each of the four ILO strategic objectives that are described in the following pages. That mainstreaming of gender issues will extend to support for the research and capacity-building that is needed for gender issues to get the attention they deserve.

Expanding knowledge

Statistics

181. Sound, extensive and relevant statistics are fundamental to ILO activities, both for external audiences and internal policy and programme uses. Accordingly, the Director-General has established an Office-wide policy that will build statistical capacity over a five-year period. This will lead

to well-coordinated statistics work across the Office, enabling ILO to measure, assess and monitor decent work. That work will be coordinated by the Bureau of Statistics with the full collaboration of the sectors and field structure as described in the Strategic Policy Framework.

International Institute for Labour Studies

182. Research will be a central contribution to defining and elaborating the decent work agenda. That will make the work of the International Institute for Labour Studies essential to ILO initiatives during the biennium. As indicated in the Strategic Policy Framework, the core of the work of the Institute during 2002-03 will centre on conceptual and methodological research. That research should deepen the analytical and empirical foundations of the concept of decent work, including its relation to existing international labour standards and to specific concerns such as job quality, security and representation.

International Training Centre of the ILO, Turin

183. The Turin Centre will continue to play an important role in ILO work across all strategic objectives as a primary vehicle for training constituents. The Centre will be well into its Third Five-year Development Plan during 2002-03. That plan will have three axes. The first will be to strengthen the Centre's alignment with ILO priorities, building on the work to date to organize training around the four strategic objectives and better links to ILO sectors. The second will be to increase the number of beneficiaries of Turin Centre activities, including the raising of the percentage of women participating to 40 per cent by 2005 and by expanding training approaches such as distance learning. The third will be to improve participant satisfaction, drawing on evaluations, participant follow-up and improved infrastructure.

Improving awareness of ILO perspectives

External relations and partnerships

184. The Bureau for External Relations and Partnerships coordinates and develops an Office-wide strategy to strengthen the ILO's linkages with the international community around the decent work agenda. It includes an International Policy Group that develops analytical approaches and policy positions and works with the guidance of a cross-sectoral Advisory Committee on International Policy issues. The goal is to influence policy positions that are crucial in making decent work viable and operational at the national level. It also serves as the secretariat to the Working Party on the Social Dimensions of Globalization.

185. To pursue this goal during 2002-03, the ILO will work more closely with other international organizations and groups to advocate the integration of decent work agenda priorities into their social and economic development strategies. It will bring ILO knowledge and values to bear on decisions within those organizations. As part of this, sectors and regions will actively search out opportunities to bring ILO perspectives and knowledge to organizations and groups that may not have been traditionally engaged in dialogue with the ILO.

Communications

186. The ILO will develop and implement a longer-range communications strategy to promote the decent work agenda beginning in 2001, with much of the work taking place in 2002-03. The first element of the strategy will be a clear decent work message with consistent use through all communications tools. That message will be made a feature of all ILO communications initiatives, and ILO officials at all levels will be supported to articulate it accurately and convincingly.

187. A second element will be to target information and advocacy to specific audiences. The ILO's most fundamental channel of communication is with its constituents, and this will be reinforced. Strategies for reaching others in the global multilateral community — parliamentarians, donors, public interest organizations, and the public at large — will also be developed.

188. The third element will be proactive communications. The ILO will ensure that it conveys its information in a timely, attractive and persuasive manner and that it uses modern information technologies effectively.

189. Underpinning all these efforts will be stronger support for a "communications culture" encompassing all ILO staff. For example, there will be staff training on public presentations and relations. Communications will be built into all major activities at the design stage. This will be supported by a new central support service that will focus on media relations and other forms of messaging, technological support and training.

THE REGIONS

AFRICA

THE AMERICAS

ARAB STATES

ASIA AND
THE PACIFIC

EUROPE AND
CENTRAL ASIA

The regions

190. The ILO is at work around the world through the activities of its field units. Many of the projected activities to take place in the regions are described under each of the four strategic objectives set out previously in this document. As well, field and regional units will continue to play an important liaison role between constituents in member States and sectors at headquarters or services such as the Turin Centre.

191. Strategic planning at the regional level for 2002-03 is influenced by three major factors:

- regional and field units are increasingly taking strategic objectives and indicators into account in their planning;
- much of their work will continue to respond to the needs and priorities identified by member States and constituents on an ongoing basis throughout the biennium; and
- their work to address the decent work agenda will often help achieve goals across multiple strategic objectives.

192. These Programme and Budget proposals are based on the Strategic Policy Framework. As noted in that document, a number of changes will be introduced in the regions, which will be consistent with the 1999 Conference conclusion supporting the need to improve regional services and to better integrate work at headquarters and in the field. They will help to achieve goals such as increasing service delivery rates, ensuring critical mass in technical fields, enabling regional and country-level impacts for the decent work agenda, and increasing extra-budgetary resources for technical cooperation. The Governing Body will be kept informed of the developments in the regions in a timely manner. It is foreseen that some of the changes and other goals will be accomplished through the establishment of decent work teams encompassing the four strategic objectives. In addition five child labour advisers will be assigned to the regions – one in the Americas and two each in Africa and Asia and the Pacific.

Africa

193. Many African countries have been undergoing severe economic, social and political crises often exacerbated by civil conflicts, poor respect of human rights and the rising number of HIV/AIDS infected and/or affected populations. Among the impacts of these and other factors are high formal sector unemployment and burgeoning informal sector employment with little or no social protection, as well as widespread child labour. Even in countries experiencing economic growth, it has not been accompanied by a similar trend in employment creation.

194. These factors present serious challenges to the many emerging democracies and increasingly open market economies. They put a strain on national institutions, and trade unions and employers' organizations, which in many cases need strengthening, and most importantly, ordinary people trying to make a decent living for themselves and their families.

195. Representatives of governments, employers' associations and workers' organizations have identified how the ILO strategic objectives designed to implement the decent work agenda might best be translated into the African environment and how African priorities might best inform those strategic objectives. The conclusions of the Ninth African Regional Meeting highlight the importance of increasing employment of acceptable quality and incomes and the need for specific attention to the impacts of the HIV/AIDS pandemic, consistent with the ILO's mandate.

Standards and fundamental principles and rights at work

196. The system of norms is a challenge in the African context. Member States recognize that ratification of fundamental Conventions has to be followed by application in practice and participation in the supervisory process. However, the limited financial and human resources available to governments and the many priorities competing for those resources mean that member States may not follow through on commitments under standards or respond to requests for reports. Given the wide range of national situations, ILO efforts in the region under this strategic objective will focus on priorities in which the greatest impact can be achieved.

197. One priority will be child labour as about 80 million children are working under dangerous conditions and in extreme forms of exploitation across the continent. Therefore, work in Africa to better understand child labour and demonstrate how best to reduce it will be an essential part of the worldwide strategy. In addition, work under the Declaration will assist member States to implement and to respond to observations on compliance with standards.

Employment

198. The twin problem of high unemployment and pervasive poverty still constitute a key development challenge in Africa, with more than half the sub-Saharan population living in absolute poverty. The recent pattern of economic growth in some countries on the continent has not been sufficient to prevent the continued spread of urban and rural unemployment and underemployment.

199. The ILO agenda in Africa will continue to support efforts to close the gap between the existing skills of the labour force and those skills which are demanded in the global economy. The ILO will continue to pursue specific activities that are expected to help strengthen the reach and impact of employment policies in member States where those are most likely to produce results. Employment promotion and training and human resource development strategies will take into account the environment of low literacy levels, inadequate training systems and the large number of countries affected by armed conflicts. Those actions will increasingly focus attention on the employment needs of women, including through an extended Jobs for Africa programme, small enterprise development and employment intensive approaches in public infrastructure investments, particularly in post-crisis situations.

Social protection

200. ILO attention under this strategic objective in Africa will increasingly be focused on the problem of HIV/AIDS. Africa is the continent most affected by this pandemic. People infected by HIV are often victims of all kinds of discrimination, particularly in the workplace and in trying to access employment opportunities. Moreover, the overwhelming consequences of the HIV/AIDS crisis in Africa have made action a priority for governments and workers' and employers' organizations.

201. Still, work will continue to address the other ILO priorities under this strategic objective. That will take place in the context of an environment in which working conditions, and the situation of the health and safety of workers are precarious in most African countries, particularly in the rural and urban informal sector. Most labour ministries lack the capacity to fulfil their basic functions in the field of labour inspection and the application of labour standards related to working and employment conditions. Furthermore, social security systems are limited to a minority of the total labour force, sometimes less than 10 per cent. Many of the necessary frameworks for large-scale, institutional systems, such as high rates of employment in the formal economy, are not in place in much of Africa. The ILO will therefore continue with initiatives that seek to find ways to increase the range of social security systems that are relevant to the African realities and that extend the reach of existing schemes.

Social dialogue

202. Though democratization processes have helped to change matters somewhat, African workers' and employers' organizations are often still fragile and narrowly based. As a result, social partners often lack the capacity to address social and economic issues, and to contribute to the decent work agenda. Another major constraint on social dialogue is the progressive marginalization and fragmentation of the ministries of labour.

203. Accordingly, the ILO will continue to assist workers' and employers' organizations in Africa to develop and extend services to their members. The agenda will also include support to governments for the improvement of their labour administrations, labour laws and legislative frameworks on social dialogue.

The Americas

204. The Fourteenth American Regional Meeting in 1999 adopted the conclusions that *decent work and protection for all* should be a priority in the region. It also drew on the evidence that a "second wave of reforms" and economic integration are under way that involve an explicit awareness of the human impacts of these efforts. This means that the ILO will operate in a dynamic political, economic and social environment with a range of opportunities and partners.

205. ILO efforts during the biennium can build on the social and labour dimensions of MERCOSUR (Argentina, Brazil, Paraguay and Uruguay plus Bolivia and Chile) and NAFTA (Canada, Mexico and the United States) and the Andean Community of Nations (Bolivia, Colombia, Ecuador, Peru and Venezuela) processes. Both processes take into consideration labour instruments related to ILO principles, especially those embedded in the ILO Declaration on Fundamental Principles and Rights at Work.

206. As extensive negotiations are already taking place to reach an Americas Free Trade Agreement by 2005, the ILO has a unique opportunity to ensure the promotion of decent work through any final Agreement. Seizing that opportunity will require the effective impact of social dialogue by strong and independent organizations of employers and workers.

Standards and fundamental principles and rights at work

207. The Americas region expects to make an important contribution to overall ILO results on this strategic objective. In particular, given a strong base going into the biennium, the region believes that all ILO core Conventions can be ratified by member States and that national programmes and practices can better reflect those Conventions and the Declaration. Actions will also take account of the cross-cutting issue of gender and the protection of vulnerable groups such as indigenous and tribal peoples and migrant workers.

208. Progressive eradication of child labour will be a core priority in the Americas. Support for the ratification and implementation of national plans will be essential, as will specific projects that address national and sectoral opportunities to generate results.

209. The majority of technical cooperation resources in the region will be spent on implementation of the Declaration and the elimination of child labour.

Employment

210. The generation of jobs and the creation of quality employment that respects workers' rights and enables productivity improvements will continue to be a major thrust of ILO work in the Americas. Actions will take into account the large numbers of people in vulnerable groups, especially men and women workers in the informal economy and rural areas. That will mean an emphasis on support for more effective employment policies and skills development and training systems.

211. Much of the emphasis during the biennium will continue to be on projects that assist in strengthening the potential of small and medium-sized enterprises, in creating quality jobs. ILO reports and other means of communicating best practices will be used to influence policies and programmes throughout the region.

Social protection

212. One of the challenges of economic integration is how to ensure that people have access to social protection systems that are effective and well managed. At present, a large percentage of working people in the Americas face social and economic insecurity and addressing this is a regional priority. It will draw on traditional ILO efforts directed at improving pension schemes, training labour inspectors and people who deal with occupational safety, health and working condition issues. Adequate social security coverage, especially for excluded groups as well as improvement of working conditions are expected.

Social dialogue

213. The state of tripartism and the strength of workers' and employers' organizations vary substantially across the Americas region. However, partners in social dialogue are increasingly aware of the importance of playing strong roles in shaping sectoral and national views during a time of growing economic integration. Moreover, strengthening these partners is understood to be part of the process of achieving improved national governance in many cases.

214. ILO efforts during the biennium will continue to support efforts by employers' and workers' organizations to become more representative and provide more services to members. That work will be reinforced by assistance in establishing and strengthening the institutions of social dialogue through legislated improvements and practical processes.

Arab States

215. In the context of the political and socio-economic situation of the Arab States in West Asia, two overarching themes will guide the ILO's work in this region during 2002-03. The first will be to promote the concept of decent work. Building on a regional decent work workshop planned for 2001, work is expected to take place that will define action on decent work in the region. That will be complemented by advocacy, including support for tripartite dialogue and advisory services at the national level.

216. The second theme will be to contribute to the consolidation of the peace process in the Middle East and the social and economic rehabilitation of the countries/regions and groups of population affected by conflicts. This will include participation in the efforts of the international community and the UN system to implement comprehensive programmes of institutional, social and economic rehabilitation in the Palestinian territories, in Lebanon, Iraq and the Syrian Arab Republic. The content, pace and countries will, however, be governed by the extent to which peace obtains in the region.

Standards and fundamental principles and rights at work

217. It is recognized that primary challenges in the region under this strategic objective are to enhance public understanding and parliamentary support for the adoption of ILO fundamental standards and to strengthen national capacities for their application. Accordingly, attention in countries that have already ratified most core Conventions will be directed at assisting in the effective application of those Conventions. In others, promotional work will be intensified for wider ratification. In particular, issues related to freedom of association, collective bargaining and the right to organize will be emphasized through dialogue, especially in Gulf Co-operation Council (GCC) States.

218. It is expected that child labour will increase in the Arab States of West Asia due to deteriorating national economic conditions, coupled with a lack of social safety nets. Priorities will include awareness-raising and IPEC projects that should lead to comprehensive policies, programmes and enhanced national capacities.

219. In addition, special efforts will be required for advocacy on the basic elements of the Declaration.

Employment

220. Most countries of the Arab region face the challenge of achieving sustainable human development. Policies that promote employment and alleviate poverty are the main priority. The level of unemployment, especially for youth and women, is on the rise; the productivity and competitiveness of small and medium enterprises is low; underemployment is pervasive; the quality of jobs is often inadequate and government efforts targeted to small-scale businesses are limited.

221. To address these issues, ILO efforts in the region during the biennium will support stronger labour market information systems that should help to alleviate mismatches between labour demand and the supply of workers coming out of education systems. Other work will address gender equality in employment. This will be a challenge, since the participation of women in the labour force is low compared to other regions and those who do work are largely restricted to

stereotypical jobs with limited participation in decision-making processes. Still there have been positive initiatives that would be encouraged and supported.

222. The working conditions of vulnerable groups will also be a major priority, especially for countries that have faced conflict and civil unrest. As part of this, assistance will be provided to the development of specific programmes to improve the labour market integration of members of vulnerable groups, such as people with disabilities and ex-detainees. Attention will be paid to the employment patterns and social protection needs of the large number of migrant workers, and workers in the informal sector in the region.

Social protection

223. The low rate of ratification and application of standards related to working and employment conditions in the region reflects poor legislation and commitment in this field. Social security coverage is limited and sometimes non-existent. The expansion of the informal sector and the increase in migrant labour and domestic workers in a number of countries add an additional burden to weak social safety nets.

224. Regional priorities will include capacity building to support adoption of international labour standards; implementation of policies and programmes that address occupational hazards; support for social security reform and stronger social safety nets for currently unprotected workers.

Social dialogue

225. Mechanisms, structures and the legal framework for genuine tripartite dialogue are largely missing in the region. The trade union situation in the region is still far from compatible with international labour standards, particularly those related to freedom of association, the right to organize and collective bargaining. Furthermore, the capacities of existing workers' and employers' organizations and labour administrations are not adequate for effective tripartite consultations. This will mean that employers' and workers' organizations are expected to require assistance on a host of technical issues.

Asia and the Pacific

226. The most visible event that has affected economic and social conditions within the region during recent years continues to be the financial crisis that began in 1997. It led to political instability in some parts of the region that is still affecting social development. At the same time, it helped pave the way for major advances in democracy and human rights.

227. Looking ahead to factors influencing actions in the new biennium, many member States in the region are pursuing strategies that support regional economic integration. The ASEAN free trade zone (AFTA) is set to become a reality in 2003. The ten-nation association is building on its already close levels of cooperation with key East Asian non-member countries, in particular, China, the Republic of Korea and Japan. The Asia Pacific Economic Cooperation forum (APEC) is also expanding its membership.

228. It is important to note that social issues, including human resource development, are increasingly being addressed in regional economic integration work, especially for ASEAN. Even so, there is more to be done to incorporate the social dimension into regional integration efforts. There is an urgent need to integrate employment strategies in larger economic development policies at national and regional levels. In this evolving context of regional institution building, ministries of labour will need to re-examine and redefine their roles.

Standards and fundamental principles and rights at work

229. During 1998-99, 27 ratifications of fundamental Conventions were recorded in the region — two and a half times the number recorded during 1996-97. The ILO expects to extend that progress in the region through follow-up on the Declaration. It will help member States build the foundation and legal framework necessary to operationalize the decent work agenda. Action on child labour will be another priority, including projects addressing the traffic in women and children. As part of this, regional management is identifying how best to support a growing level of programme activity, especially for IPEC, with a zero-growth budget.

Employment

230. Asia and the Pacific has extremely diverse national situations and conditions. While the region has many particularly dynamic economies, it is still home to more than two-thirds of the world's 1.2 billion poor, with a particular concentration in South Asia. Alleviating the poverty, unemployment and underemployment that the region confronts will continue to be a daunting task and one requiring a range of strategies.

231. In a number of economies in transition, support for the redeployment of displaced workers from state-owned enterprises into alternative jobs will be a key priority. Support for the needs of small island economies in the South Pacific, in contrast, will emphasize employment development strategies that are suitable for economies that are now highly dependent on particular commodities. The ILO can expect to be actively involved in addressing the employment needs generated by the sudden independence of East Timor. The gender dimension to employment in all parts of the region will also be important as the ILO mainstreams gender issues to address inequality, discrimination and exclusion.

Social protection

232. The diversity of social security systems and occupational safety and health regimes mean that the ILO's role must vary across Asia and the Pacific. For example, in transition economies schemes often require redesign in the face of changing government role. In other countries, the challenge is to reinforce or revitalize existing schemes to widen coverage to people in small enterprises and the informal economy. The needs of vulnerable groups, particularly migrant workers, require added ILO attention in both sending and receiving countries. Other social protection priorities in Asia and the Pacific include safety and health in the workplace as well as developing effective strategies and policies to address the HIV/AIDS crisis and its workplace impacts.

Social dialogue

233. Weak social dialogue mechanisms are common throughout the region. However, recent ILO efforts have helped to strengthen employers' and workers' organizations as well as tripartite mechanisms. The coming biennium will offer opportunities to continue this work. This will involve support for social dialogue as a means of addressing industrial relations and employment policy issues in addition to support for workers' education and the promotion of sound industrial relations. Other efforts will encourage concrete attention to the needs of women by both employers' and workers' organizations and in social dialogue processes.

Europe and Central Asia

234. ILO work in this region has two major orientations. Work in Western Europe will encourage the greatest possible degree of engagement in and support for ILO activities. Conversely, work in Central and Eastern Europe and the Commonwealth of Independent States (CIS) will continue to be focused on addressing the challenges of the fundamental changes resulting from their transition to a market economy. These changes touch on practically all aspects of working life.

235. In that context, ILO activities in the region will be guided by and will respond to the results of the Sixth European Regional Meeting, held in December 2000. That Meeting identified a series of major priorities centred on a more significant role for the ILO in the European Union accession process, in the implementation of the Stability Pact for South Eastern Europe and in the consolidation of social democracies in the CIS.

Standards and fundamental principles and rights at work

236. In Central and Eastern Europe the effective recognition of fundamental principles and rights at work will need to be supported by appropriate interventions. The effective recognition of freedom of association and the right to bargain collectively will be of particular interest in these member States. Further key issues will concern the elimination of the worst forms of child labour where they exist and the elimination of discrimination in respect of employment and occupation.

237. In the CIS, ILO action will focus on providing assistance in the ratification and implementation of core labour standards. The priority will be to combine the promotion of core international labour standards, institution building, labour legislation reform and the fight against poverty, with the elaboration of a comprehensive social, economic and human development approach.

238. Technical cooperation under this strategic objective will revolve around a core programme related to the elimination of child labour and the implementation of the principles and rights contained in the Declaration.

Employment

239. Over the last decade, the countries of Central and Eastern Europe have achieved progress in transforming their labour markets in line with the tenets of a market system. However, further reform measures are necessary to ensure that economic growth is translated into employment promotion through the creation of decent jobs for all workers. Achieving this will require acknowledgement of the importance of active labour market policy measures. One example that these States have already recognized is the need for national education and training systems that do more to increase the average level and quality of education of young people and that create a sound base for lifelong learning. Another would be policies and systems that facilitate the adjustment of skills to changing skill demands.

240. Most CIS countries still have to build an employment policy and programme base. Many lack the global policy tools to promote employment. They need effective support for sustainable job creation, new or better systems for labour market information and support for skills upgrading, including the dissemination of best practices and experiences.

241. Extra-budgetary technical cooperation under this strategic objective will be used mainly to respond to the need to create employment in post-crisis situations.

Social protection

242. The social protection system in Central and Eastern Europe is characterized by a lack of coherence and cohesion in benefits systems, managerial and administrative deficiencies and problems of financing. The systems in the CIS have undergone significant deterioration. The most vulnerable groups in both cases are single parent households, the long-term unemployed, workers in small enterprises or in the informal sector, the elderly and pensioners. Several countries have expressed particular interest in issues related to the employment and protection of migrant workers. In many countries, important decisions are about to be made concerning the future directions to be followed by social protection schemes. This means all partners, including the constituents from the region and international financial institutions need to engage in a broad discussion of the available options.

243. Governments in Central and Eastern Europe have indicated interest in assistance with improved occupational safety and health policies, including harmonizing legislative and practical safe work measures. They also anticipate assistance with pension reform. Actions in the CIS will centre on expanded commitment to occupational safety and health in target countries and workplaces. Support for social security reform, including collaboration with the World Bank, will also be a priority.

244. A major component of the future technical cooperation programme in this region will concern HIV/AIDS in the workplace.

Social dialogue

245. Although many Central and Eastern European countries, as well as some in the CIS, have made progress towards the establishment of free market economies, they generally still face a considerable task in realizing and consolidating the new rules in day-to-day practice. One reason is the persistent lack of strong, autonomous and effective employers' and workers' organizations. Social partners need to be fostered and strengthened, sound practices have to be adopted and implemented, and compliance with commonly accepted democratic rules has to become a standard practice.

246. Consistent with building the institutions of social dialogue, States in Central and Eastern Europe have expressed interest in support for promoting collective bargaining at all levels and the role of conciliation, mediation and arbitration in settling labour disputes.

247. Technical cooperation under this strategic objective will be carried out in close collaboration with the work done under the Declaration.

Governance, support and management

248. The quality of support services has a key impact on the achievement of the four ILO strategic objectives. As part of introducing strategic budgeting principles to ILO planning and management, the Office developed service standards for each support programme and these were submitted to the 279th Session of the Governing Body in November 2000.[1] These standards will continue to be monitored during 2002-03. The text below describes only the more important changes in the ILO's strategy to strengthen its institutional capacity in the areas of governance, support and management.

Policy-making organs

249. This includes funding to support the work of the International Labour Conference, the Governing Body, major regional meetings and legal services, all of which will continue along existing lines. However, the Relations and Meetings Department will be the subject of particular emphasis for improved and cost-effective service. The approach will reflect the views expressed by the Governing Body at its 279th Session (November 2000).

250. It is anticipated that in-house printing will concentrate more on standardized services, better adapted to ILO requirements. The strategy will include more flexible working practices and new digital printing equipment and digital colour copiers. Altogether, this should improve presentation, quality and speed of service. Management controls will be tightened. Strict limits on the length of Governing Body documents will be introduced as from 2001 to contain costs and to lighten the burden on Governing Body members. Because technology continues to evolve in these fields, innovations and best practices elsewhere will be monitored for possible implementation. Electronic dissemination of documents will be examined to see if hard-copy document production can be cut. Furthermore, a comprehensive review of document production will be finalized in 2001, and is expected to lead to proposals for change, which would strengthen management of the work-flow.

Management services

251. General management will continue to be a focal point for improving service and efficiency during 2002-03. The three management services departments – Financial Services, Programming and Management, and Human Resources Development – will continue to seek out opportunities to improve service and control costs effectively. All three management services departments are also engaged in major long-term processes that have strategic impacts on ILO operations.

Human Resources Development

252. Human resources are strategically linked to the ILO's capacity to implement the decent work agenda, in particular in better adapting staff development and recruitment to the needs of the Organization. During 2002-03, the Office is expected to make progress on four major challenges with full implementation by 2005:

- continued development and implementation of the Human Resources Strategy presented to the Programme, Financial and Administrative Committee in November 1999, March and November 2000[2]. By 2002, the shift to consolidating the new HR process will have begun in earnest;
- implementing systems for career development and succession planning to improve the quality and timeliness of appointments;
- an increase in training activities geared towards the delivery of the ILO's priority objectives;
- a substantial switch of HR spending away from administration and towards career development and training.

[1] GB.279/PFA/7.

[2] GB.279/PFA/12.

253. The overall goal is a significant increase in the capabilities of the Office through a combination of strong quality controls in external hiring, along with more investment in staff training and development. Special attention will be paid to ensuring that all human resources policies are gender sensitive. A shift of resources is expected from administration to career development through decentralization and selective outsourcing.

254. New funding has been allocated to help implement the new collective agreement on grievance handling, to appoint an ombudsperson and to cover the administrative costs associated with the joint panel review process.

255. Staff training will need to be undertaken to renew the ILO workforce due to retirements and overall organizational change. The priorities for training will be: managerial skills and practices; technical skills and knowledge, in particular concerning service to constituents; and staff development through exchanges with tripartite constituents. These are areas in which extra-budgetary resources would be particularly helpful as part of strengthening the ILO's ability to operate strategically and effectively.

Programming and Management

256. The process of implementing strategic budgeting will continue during 2002. The initial steps that shifted the programme and budget away from an emphasis on activities and outputs, to one that emphasizes the links between priorities, resources and results will be enhanced through clearer performance reporting and a strategic approach to evaluation in the Office.

257. In 2002-03, the emphasis will be on strengthening the principles and techniques of strategic budgeting in the Office. For this purpose, additional support will be provided through training of managers on the application of strategic budgeting. Extra-budgetary support is expected to support this training effort.

Financial Services

258. The Governing Body agreed to invest funds in a major modernization of the information systems to support financial planning and operations in the Office. This will involve the replacement of the old financial system with a modern off-the-shelf Enterprise Resource Planning ERP package. The implementation of the new system will take place throughout the biennium and into the next.

Support services

259. The functions of the Support Services aid the work of all sectors by providing an efficient working environment. The Office needs effective communications systems, information technology and equipment, in order for its staff to carry out its duties. The development and implementation of a knowledge management strategy will be a key priority. This involves the ILO library, which will continue to play its role gathering information for the Office and external users. It will increasingly focus on support to ILO staff and external users, linking them electronically to information inside and outside the Office. Internal administration is another component that will continue to deliver important operational services in increasingly cost-effective ways. Publications will act on a new policy that will emphasize improved access to audiences and impact based on high-quality information products.

Bureau of Information Technology and Communications

260. The Strategic Policy Framework identified information technology as a particular focal point for attention during the biennium. The following initiatives will be implemented during the biennium:

- Installation of an Electronic Document Management System to be a secure repository of searchable documents of text, spreadsheets, publications, e-mails, web pages, scanned papers from the ILO archives, images, audio and video. This would be fully accessible from the regions, streamlining the production and dissemination of documents.
- Continued upgrading of the network infrastructure.
- Increased reliability and performance of network-based applications.

Draft budget of expenditure and income for 2002-03

261. The Programme and Budget proposals for 2002-03, after providing for movements in costs, valued at the 2000-01 budget rate of exchange of 1.53 Swiss francs to the US dollar, amount to $474,529,465. At this level the proposed budget for 2002-03 remains the same in real terms as the previous biennium.

262. Following an analysis of cost factors, both at Headquarters and at field locations, cost increases have been limited to an overall rate of 1.51 per cent for the biennium. Full information on movements in cost factors is provided in the Programme and Budget Proposals, Information Annex 2.

263. The budget rate of exchange for the biennium 2002-03 will be set at the market rate at the time the budget is reviewed by the Finance Committee of Government Representatives at the 89th June 2001 Session of the Conference. These proposals have accordingly been valued at the same budget rate of exchange 1.53 Swiss francs to the US dollar as the Programme and Budget for 2000-01, both to facilitate comparison and because the cost of the proposals in both US dollar and Swiss franc terms will continue to evolve with the exchange rate changes until the budget is finalized.

264. As an indication, however, the United Nations Monthly Accounting Rate of Exchange for January 2001 was 1.64 Swiss francs to the dollar. Should this rate remain valid in June of 2001, the proposed budget level in dollar terms would be some $455.5 million with resulting assessments of some 746.9 million Swiss francs.

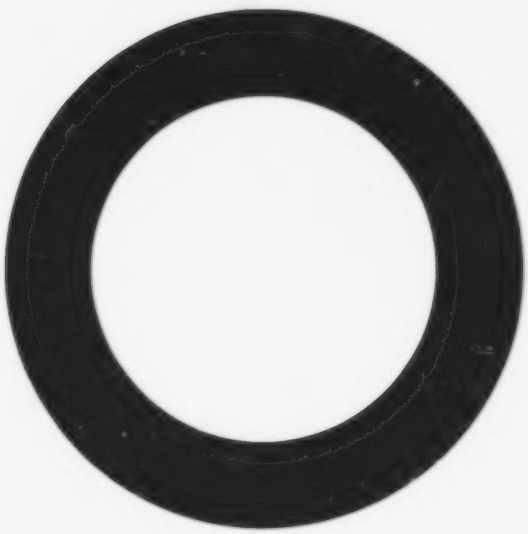
265. The contributions payable by Member States in 2002-03 will thus depend on the overall budget level, on the budget rate of exchange which is finally set, and on the scale of contributions approved by the Conference.

266. The draft expenditure and income budget in the form required for adoption by the Conference, with the corresponding figures for 2000-01, is shown below.

Expenditure			Income				
	2000-01 Budget US $	2002-03 Estimates US $		2000-01 Budget US $	SF	2002-03 Estimates US $	SF
Part I Ordinary budget	466,595,000	473,654,465	Contributions from Member States	467,470,000	715,229,100	474,529,465	726,030,081
Part II Unforeseen expenditure	875,000	875,000					
Total Budget	***467,470,000***	***474,529,465***		***467,470,000***	***715,229,100***	***474,529,465***	***726,030,081***

267. After completing its examination of the draft estimates submitted in this document, the Programme, Financial and Administrative Committee will wish to submit to the Governing Body for proposal to the International Labour Conference a draft resolution for the adoption of the programme and budget for the 68th financial period (2002-03) and for the allocation of expenses between member States for 2002-03. The proposed text of this draft resolution is as follows:

> The General Conference of the International Labour Organization,
>
> In virtue of the Financial Regulations, adopts for the 68th financial period, ending 31 December 2003, the budget of expenditure of the International Labour Organization amounting to $ ..... and the budget of income amounting to $ ..... which, at the budget rate of exchange of Swiss francs ..... to the US dollar, amounts to Swiss francs ..... and resolves that the budget of income, denominated in Swiss francs, shall be allocated among member States in accordance with the scale of contributions recommended by the Finance Committee of Government Representatives.



Information annexes

Information annex 1

Operational budget

1. This information annex provides tables showing resources according to ILO programmes. It describes the major functions of programmes, although not a detailed perspective on mandates or planned activities. Finally, it explains significant changes in resource levels.

Table A1-1. Summary of operational budget proposals for 2002-03

	Budget 2000-01 (in constant 2000-01 US$)	Budget proposals 2002-03 (in constant 2000-01 US$)	Difference $	Difference %
PART I				
Policy-making organs				
International Labour Conference	9,602,562	9,602,562	–	–
Governing Body	3,729,458	3,729,458	–	–
Major Regional Meetings	558,700	848,630	289,930	51.9
Legal Services	2,522,832	2,522,832	–	–
Relations, Meetings and Document Services	44,483,119	42,685,169	–1,797,950	–4.0
	60,896,671	**59,388,651**	**–1,508,020**	**–2.5**
Strategic objectives				
Technical programmes				
Standards and Fundamental Principles and Rights at Work				
InFocus Programme on Promoting the Declaration	2,400,410	2,810,826	410,416	17.1
InFocus Programme on Child Labour	2,926,050	3,026,050	100,000	3.4
International Labour Standards				
Equality and Employment	3,640,006	3,640,006	–	–
Social Protection and Labour Conditions	4,104,400	4,104,400	–	–
Freedom of Association	3,178,792	3,231,202	52,410	1.6
Standards Policy and Information	2,723,645	3,016,541	292,896	10.8
Programme Management	3,531,739	3,631,559	99,820	2.8
Executive Director's Office and Common Services	2,901,228	2,896,245	–4,983	–0.2
	25,406,270	**26,356,829**	**950,559**	**3.7**
Employment				
Employment Strategy	9,585,704	9,125,080	–460,624	–4.8
InFocus Programme on Skills, Knowledge and Employability	6,612,562	6,450,072	–162,490	–2.5
Recovery and Reconstruction				
InFocus Programme on Crisis Response and Reconstruction	2,075,915	1,942,640	–133,275	–6.4
Employment-Intensive Investment	1,437,017	1,429,872	–7,145	–0.5
Job Creation and Enterprise Development				
InFocus Programme on Boosting Employment through Small Enterprise Development	4,864,904	4,513,496	–351,408	–7.2
Management and Corporate Citizenship	1,987,520	1,752,312	–235,208	–11.8
Cooperatives	1,316,932	1,287,976	–28,956	–2.2
Programme Management	804,562	788,912	–15,650	–1.9
Gender Promotion	1,272,636	1,272,636	–	–
Multinational Enterprises	1,113,784	970,888	–142,896	–12.8
Executive Director's Office and Common Services	5,128,491	5,238,364	109,873	2.1
	36,200,027	**34,772,248**	**–1,427,779**	**–3.9**

	Budget 2002-03 (in current 2002-03 US$)	Budget proposals 2004-05 (US$)	Difference $	Difference %
Social Protection				
Social Security				
InFocus Programme on Socio-Economic Security	1,941,856	1,941,856	–	–
Social Security Policy and Development	3,286,080	3,426,028	139,948	4.3
Social Security Financial, Actuarial and Statistical Services	2,325,950	2,425,950	100,000	4.3
Programme Management	445,056	0	–445,056	–100.0
Labour Protection				
InFocus Programme on Safety and Health at Work and the Environment	8,478,481	7,630,681	–847,800	–10.0
Conditions of Work	3,851,092	3,749,120	–101,972	–2.6
International Migration	1,563,270	1,624,664	61,394	3.9
ILO Programme on HIV/AIDS and the World of Work	0	1,130,081	1,130,081	n/a
Programme Management	774,696	0	–774,696	–100.0
Executive Director's Office and Common Services	2,614,687	2,783,935	169,248	6.5
	25,281,168	**24,712,315**	**–568,853**	**–2.3**
Social Dialogue				
Employers' Activities	5,455,460	5,455,460	–	–
Workers' Activities	13,963,950	13,963,950	–	–
InFocus Programme on Strengthening Social Dialogue	4,151,698	4,067,074	–84,624	–2.0
Sectoral Activities	9,206,642	8,844,411	–362,231	–3.9
Government and Labour Law and Administration	3,307,246	3,079,542	–227,704	–6.9
Executive Director's Office and Common Services	3,115,691	3,427,655	311,964	10.0
	39,200,687	**38,838,092**	**–362,595**	**–0.9**
Cross-cutting activities				
Decent Work: Inter-sectoral Operational Support	0	2,969,474	2,969,474	n/a
Gender Equality	2,026,622	2,026,622	–	–
Statistics	6,579,622	6,293,830	–285,792	–4.3
International Institute for Labour Studies	4,931,020	4,931,020	–	–
International Training Centre of the ILO, Turin	5,340,000	5,540,000	200,000	3.7
External Relations and Partnerships	4,515,784	4,515,784	–	–
International Policy Group	1,246,414	1,532,206	285,792	22.9
Communications	5,599,375	5,704,924	105,549	1.9
ILO Web Development	0	790,832	790,832	n/a
Technical meetings reserve	1,554,102	1,554,102	–	–
	31,792,939	**35,858,794**	**4,065,855**	**12.8**
Total technical programmes	**157,881,091**	**160,538,278**	**2,657,187**	**1.7**
The regions				
Development Cooperation				
Executive Director's Office	591,395	591,395	–	–
Development Cooperation	2,465,877	2,404,732	–61,145	–2.5
Field Programmes in Africa	40,073,294	40,073,294	–	–
Field Programmes in the Americas	36,680,263	36,680,263	–	–
Field Programmes in Arab States	8,129,430	8,129,430	–	–
Field Programmes in Asia and the Pacific	37,960,606	37,960,606	–	–
Field Programmes in Europe and Central Asia	12,380,652	12,380,652	–	–
	138,281,517	**138,220,372**	**–61,145**	**–**

	Budget 2000-01	Budget proposals 2002-03	Differences	
	(in constant 2000-01 US$)		$	%
Support Services				
Library and Information Services	7,397,379	7,046,035	−351,344	−4.7
Information Technology and Communications	11,625,682	11,768,578	142,896	1.2
Internal Administration	31,150,832	29,849,552	−1,301,280	−4.2
Publications	5,392,002	4,998,370	*−393,632*	*−7.3*
	55,565,895	**53,662,535**	**−1,903,360**	**−3.4**
Total strategic objectives	**351,728,503**	**352,421,185**	**692,682**	**0.2**
Management services				
General management	6,339,726	6,339,726	–	–
Human Resources Development	15,002,862	15,308,597	305,735	2.0
Financial services				
Executive Director's Office	591,395	591,395	–	–
Financial Services	10,963,368	11,263,368	300,000	2.7
Programming and Management	4,796,756	4,700,821	−95,935	−2.0
	37,694,107	**38,203,907**	**509,800**	**1.4**
Other budgetary provisions	**20,243,879**	**20,549,417**	**305,538**	**1.5**
Adjustment for staff turnover	**−3,968,160**	**−3,968,160**	–	–
TOTAL PART I.	**466,595,000**	**466,595,000**	–	–
PART II. UNFORESEEN EXPENDITURE				
Unforeseen expenditure	**875,000**	**875,000**	–	–
PART III. WORKING CAPITAL FUND				
Working Capital Fund				
TOTAL (PARTS I-III)	**467,470,000**	**467,470,000**	–	–

Part I

Policy-making organs

Table A1-2. Operational budget: Policy-making organs

	Professional	General Service	Staff costs	Other costs	Total resources
	Posts (regular / other)	Posts (regular / other)			
Policy-making organs					
International Labour Conference	2 / 1	0 / 0	6,415,772	3,186,790	9,602,562
Governing Body	0 / 0	0 / 0	1,703,000	2,026,458	3,729,458
Major Regional Meetings	0 / 0	0 / 0	150,000	698,630	848,630
Legal Services	13 / 0	6 / 0	2,440,032	82,800	2,522,832
Relations, Meetings and Document Services	121 / 0	209 / 0	38,034,241	4,650,928	42,685,169
2002-03 total	***136 / 1***	***215 / 0***	***48,743,045***	***10,645,606***	***59,388,651***
2000-01 total	***142 / 5***	***230 / 0***	***50,959,275***	***9,937,396***	***60,896,671***

2. *International Labour Conference* shows the direct costs (such as interpretation, preparation and printing of reports, rental of facilities and some staff costs) of holding two sessions of the Conference during the biennium. It is estimated that the actual total cost incurred throughout the Office for such services as authorship, organizational servicing, and conference and document services amounts to a further $9.7 million per biennium beyond the costs budgeted under this item. For budgetary purposes it has been assumed that the agenda of both sessions of the Conference will include three standing items and three items placed on the agenda by the Conference or the Governing Body. There is no change in the budget level.

3. *Governing Body* shows the direct costs (such as travel and *per diem* for delegates as well as interpretation) of holding six sessions during the 2002-03 biennium. It is estimated that the actual total cost incurred throughout the Office for such services as authorship, organizational servicing, and meetings and document services amounts to a further $17.9 million per biennium beyond the costs budgeted under this item. There is no change in the budget level.

4. *Major Regional Meetings* provides for the costs associated with holding the Fifteenth American Regional Meeting in Lima in 2002 and the Tenth African Regional Meeting in Abidjan in 2003. The duration of these meetings will be four days. The budget is increased by some $290,000 because both meetings will be held outside Geneva. For the biennium 2000-01 the Sixth European Regional Meeting was convened in Geneva where servicing costs are lower.

5. *Legal Services* carries out legal work pertaining to the Constitution and policy-making organs. It participates in the preparation and examination of international labour Conventions, Recommendations and other instruments. It provides legal expertise on personnel matters, commercial or technical issues and contracts. There is no change in the budget level of this item.

6. *Relations, Meetings and Document Services* services conferences and meetings, including translating, processing, printing and distributing documents and providing interpretation services, and maintains official relations with member States. Resources for this department reflect a reduction of 6/06 Professional work-years and 15/00 General Service work-years resulting from an improved workflow and new technology. Reduced hard copy document production through length restrictions and electronic dissemination will reduce distribution costs by nearly $100,000.

Table A1-3 Operational budget: Standards and Fundamental Principles and Rights at Work

Regular budget	Professional (number of posts/months)	General Service	Staff costs	Other costs	Total resources
			(in constant 2000-01 US$)		
Strategic objectives – Technical programmes					
Standards and Fundamental Principles and Rights at Work					
InFocus Programme on Promoting the Declaration	12 / 0	7 / 0	2,345,440	465,386	2,810,826
InFocus Programme on Child Labour	16 / 0	3 / 0	2,614,848	411,202	3,026,050
International Labour Standards					
Equality and Employment	22 / 6	4 / 0	3,553,656	86,350	3,640,006
Social Protection and Labour Conditions	26 / 0	4 / 0	4,053,792	50,608	4,104,400
Freedom of Association	18 / 0	6 / 0	3,079,872	151,330	3,231,202
Standards Policy and Information	14 / 0	6 / 6	2,550,600	465,941	3,016,541
Programme Management	4 / 0	21 / 0	2,466,353	1,165,206	3,631,559
Executive Director's Office and Common Services	7 / 0	4 / 0	1,504,853	1,391,392	2,896,245
2002-03 total	***119 / 6***	***55 / 6***	***22,169,414***	***4,187,415***	***26,356,829***
2000-01 total	***116 / 6***	***54 / 6***	***21,656,102***	***3,750,168***	***25,406,270***

7. The *InFocus Programme on Promoting the Declaration* concentrates on the promotion of the ILO Declaration on Fundamental Principles and Rights at Work including its follow-up procedures.

8. The *InFocus Programme on Child Labour* has responsibility for integrating all aspects of ILO action on child labour.

9. *International Labour Standards* is the focal point for standards-related policy. It also provides the technical expertise on labour standards and services the ILO's supervisory machinery. In addition to management and common service functions it includes:

- *Equality and Employment*, which deals with instruments on equality, forced labour, employment policy, migrant workers, and indigenous and tribal peoples. It is also responsible for human rights coordination.
- *Social Protection and Labour Conditions*, which deals with instruments on child labour (in cooperation with the InFocus Programme on Child Labour), labour administration and inspection, social protection, safety and health, conditions of work and the maritime sector.
- *Freedom of Association*, which serves the Governing Body Committee on Freedom of Association and deals with all related instruments.
- *Standards Policy and Information*, which serves the Governing Body in relation to the integrated approach to labour standards, and provides legal information services inside and outside the ILO.
- *Programme Management* services supervisory bodies and monitors ratifications and reporting.

10. *Executive Director's Office* and *Common Services* provides for the Executive Director as well as coordination and support for activities across the sector.

11. The resources for the sector have increased by some $950,000. To reinforce work on the Declaration, the resources have been increased by some $410,000, consisting largely of an increase of 2/00 Professional and 1/00 General Service work-years. To enhance work on standards-related policy, including informal consultations with constituents, the resources of the Standards Policy and Information programme have been increased by some $293,000. An increase of $52,410 is fore-

seen for the Freedom of Association programme as well as an increase of $100,000 for the Committee of Experts. In addition to a resource increase of $100,000 for the InFocus Programme on Child Labour (IPEC), further reinforcement is envisaged through the creation of five IPEC specialist positions in the field structure through conversion of existing MDT specialist positions.

Employment sector

Table A1-4. Operational budget: Employment

Regular budget	Professional (work-years/months)	General Service	Staff costs (in constant 2000-01 US$)	Other costs	Total resources
Strategic objectives – Technical programmes					
Employment					
Employment Strategy	39 / 6	20 / 4	7,365,080	1,760,000	9,125,080
InFocus Programme on Skills, Knowledge and Employability	28 / 0	16 / 0	5,355,072	1,095,000	6,450,072
Recovery and Reconstruction					
InFocus Programme on Crisis Response and Reconstruction	7 / 0	7 / 0	1,592,640	350,000	1,942,640
Employment-Intensive Investment	6 / 0	4 / 0	1,195,872	234,000	1,429,872
Job Creation and Enterprise Development					
InFocus Programme on Boosting Employment through Small Enterprise Development	21 / 0	7 / 4	3,621,392	892,104	4,513,496
Management and Corporate Citizenship	9 / 0	2 / 0	1,455,312	297,000	1,752,312
Cooperatives	5 / 0	4 / 0	1,052,976	235,000	1,287,976
Programme Management	2 / 0	5 / 0	708,912	80,000	788,912
Gender Promotion	6 / 0	2 / 0	1,026,624	246,012	1,272,636
Multinational Enterprises	5 / 0	2 / 0	883,728	87,160	970,888
Executive Director's Office and Common Services	8 / 0	8 / 0	1,948,925	3,289,439	5,238,364
2002-03 total	***136 / 6***	***77 / 8***	***26,206,533***	***8,565,715***	***34,772,248***
2000-01 total	***137 / 6***	***81 / 8***	***26,687,925***	***9,512,102***	***36,200,027***

12. *Employment Strategy* analyses global employment trends and undertakes and reports on the employment impact of macroeconomic, financial and other policies and developments.

13. The *InFocus Programme on Skills, Knowledge and Employability* aims at increased investment in training with special attention to the needs of vulnerable groups. It also encourages partnerships between public and private employment agencies and training providers to promote decent work and make sure they can jointly address evolving labour market requirements.

14. *Recovery and Reconstruction* consists of:

- The *InFocus Programme on Crisis Response and Reconstruction*, which initiates and coordinates the ILO response to crises.
- *Employment-Intensive Investment*, which promotes decent work through employment-intensive execution of public infrastructure works.

15. *Job Creation and Enterprise Development* consists of:

- The *InFocus Programme on Boosting Employment through Small Enterprise Development*, which supports job creation and decent work in small and micro-enterprises and promotes the upgrading of informal sector enterprises.
- *Management and Corporate Citizenship* encourages the adoption of management practices in line with fundamental ILO principles and international labour standards, including through voluntary private initiatives.
- The *Cooperatives* programme aims at strengthening cooperatives and similar group-based undertakings.

16. *Gender Promotion* facilitates gender mainstreaming in ILO employment promotion activities and focuses specifically on the creation of more and better jobs for women.

17. *Multinational Enterprises* promotes the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.

18. *Executive Director's Office* and *Common Services* provides for the Executive Director as well as coordination and support for activities across the sector.

19. The regular budget resources for this sector have been reduced by some $1,428,000 compared to 2000-01, consisting largely of a reduction of 1/00 Professional and 4/00 General Service work-years and some $946,000 under non-staff costs. This is compensated by an increase in cross-cutting programmes with a strong employment component. Moreover, the expected decline in expenditure on technical cooperation funded from extra-budgetary resources will reduce the sector's workload related to the servicing of technical cooperation projects.

Social Protection sector

Table A1-5. Operational budget: Social Protection

Regular budget	Professional	General Service	Staff costs	Other costs	Total resources
	(work-years/months)		(in constant 2000-01 US$)		
Strategic objectives – Technical programmes					
Social Protection					
Social Security					
InFocus Programme on Socio-Economic Security	10 / 0	4 / 0	1,767,456	174,400	1,941,856
Social Security Policy and Development	17 / 0	8 / 0	3,106,224	319,804	3,426,028
Social Security Financial, Actuarial and Statistical Services	10 / 6	8 / 0	2,177,400	248,550	2,425,950
Labour Protection					
InFocus Programme on Safety and Health at Work and the Environment	37 / 0	16 / 0	6,641,136	989,545	7,630,681
Conditions of Work	18 / 0	8 / 0	3,249,120	500,000	3,749,120
International Labour Migration	8 / 0	4 / 0	1,481,664	143,000	1,624,664
ILO Programme on HIV/AIDS and the World of Work	5 / 0	2 / 0	883,728	246,353	1,130,081
Executive Director's Office and Common Services	6 / 0	6 / 0	1,493,885	1,290,050	2,783,935
2002-03 total	***111 / 6***	***56 / 0***	***20,800,613***	***3,911,702***	***24,712,315***
2000-01 total	***115 / 2***	***61 / 2***	***21,973,099***	***3,308,069***	***25,281,168***

20. Three programmes are grouped under *Social Security*:

- The *InFocus Programme on Socio-Economic Security* focuses on research into social and economic security issues to support policy development and technical cooperation.
- *Social Security Policy and Development* develops qualitative policies and strategies to improve national social security systems and provides technical advice and assistance.
- *Social Security Financial, Actuarial and Statistical Services* conducts quantitative analyses of existing or planned national social security systems and provides advisory and training services to governments, social partners and social security institutions.

21. Three programmes are grouped under *Labour Protection*:

- The *InFocus Programme on Safety and Health at Work and the Environment* targets improvements in preventive policies and programmes such as voluntary application of safety and health management systems, workers' health promotion and environmental issues in the world of work — all predicated on promoting the application of ILO standards.
- *Conditions of Work* facilitates awareness and action by ILO constituents to adopt policies and practices that improve conditions of work and employment and enhance respect for workers' dignity.

- *International Migration* supports the development of effective national policies and programmes that protect migrant workers by promoting and guaranteeing them equality of treatment and opportunity, and aims to forge international consensus on how best to manage labour migration.
- The *ILO Programme on HIV/AIDS and the World of Work* concentrates on information, education and communication to assess the impact of HIV/AIDS and prevent its further spread into the world of work. It advocates the rights of people living with HIV/AIDS and supports the creation of national programmes targeted to the needs of HIV-infected workers and their dependants and to the provision of greater employment and income opportunities for people living with HIV/AIDS.

22. *Executive Director's Office* and *Common Services* provides for the Executive Director as well as coordination and support for activities across the sector.

23. The resources of the Social Protection sector have been reduced by some $569,000 consisting of a reduction of 3/08 Professional and 5/02 General Service work-years, offset by an increase of $603,633 in non-staff costs. Within the Social Security grouping, the non-staff resources of the Social Security Policy and Development Programme and Social Security Financial, Actuarial and Statistical Services have been increased by transforming almost half of the resources previously provided for departmental management. The reduction of $847,800 under the InFocus Programme on Safety and Health at Work and in the Environment has been used largely to fund the new ILO Programme on HIV/AIDS and the World of Work. The resources of the Executive Director's Office and Common Services have been increased by 2/00 General Service work-years.

Social Dialogue sector

Table A1-6. Operational budget: Social Dialogue

Programme and budget	Professional	General Service	Staff costs	Other costs	Total resources
	(work-years/months)		(in constant 2000-01 US$)		
Strategic objectives – Technical programmes					
Social Dialogue					
Employers' Activities	18 / 0	7 / 0	3,239,136	2,216,324	5,455,460
Workers' Activities	42 / 0	18 / 0	7,599,504	6,364,446	13,963,950
InFocus Programme on Strengthening Social Dialogue	18 / 0	10 / 0	3,493,008	574,066	4,067,074
Sectoral Activities	38 / 0	12 / 0	6,618,966	2,225,445	8,844,411
Government and Labour Law and Administration	14 / 0	6 / 0	2,508,288	571,254	3,079,542
Executive Director's Office and Common Services	7 / 0	12 / 0	2,144,525	1,283,130	3,427,655
2002-03 total	***137 / 0***	***65 / 0***	***25,603,427***	***13,234,665***	***38,838,092***
2000-01 total	***137 / 0***	***65 / 4***	***25,631,635***	***13,569,052***	***39,200,687***

24. *Employers' Activities* promotes, in cooperation with all ILO sectors and departments, ILO objectives and influences ILO activities by strengthening employers' organizations through technical cooperation programmes and assisting employers' organizations to enhance their influence in policy and legal environments. It supports improvements in the management and service capacity of these organizations to employers. It enables employers to effectively participate in ILO activities by informing them of ILO views and developments, and by bringing employers' views to the Office.

25. *Workers' Activities* promotes, in cooperation with all ILO sectors and departments, ILO objectives and influences ILO activities by strengthening workers' organizations through workers' education programmes and by supporting trade union policy development. It promotes international labour standards, and actions to operationalize decent work priorities by supporting activities of workers' organizations at the regional and national level. Its activities encourage full awareness of trade union priorities and policies in all ILO activities and assists trade unions to be familiar with and support ILO objectives. It assists Workers' delegates to ILO meetings to most effectively represent workers' interests and supports the Office in its relations with workers' organizations.

26. The *InFocus Programme on Strengthening Social Dialogue* collaborates with all ILO sectors and departments to promote the concept of social dialogue as an indispensable element of democratic participation in decision-making at all levels. It assists constituents to strengthen institutions and processes of social dialogue, including attention to gender sensitivity.

27. *Sectoral Activities*, through the different ILO means of action, gives attention to social and labour issues in 22 sectors of economic activity and contributes to the knowledge base of the ILO. One of the primary means of action is the organization of sectoral meetings providing ILO constituents opportunities to examine issues of common concern and thereby promoting sectoral social dialogue. In addition, the sectoral dimension of the decent work agenda is being promoted.

28. *Government and Labour Law and Administration* supports governments in the fields of labour administration, labour legislation, public service legislation and the role of governments in social dialogue with their workers.

29. *Executive Director's Office* and *Common Services* provides for the Executive Director as well as coordination and support for activities across the sector.

30. Resources for this sector have been reduced by some $363,000 in non-staff costs. While overall staffing levels remain largely the same, 1/00 Professional work-year has been transferred from Sectoral Activities to Common Services, which will increase its support to sectoral meetings to 3/00 Professional work-years. Sectoral Activities now include statistical support within existing resources. To provide improved computer support (LAN) throughout the sector and to align General Service to Professional staffing levels, 2/00 General Service work-years have been transferred from Government and Labour Law and Administration to Common Services.

Cross-cutting activities

Table A1.7. Operational budget: Cross-cutting activities

Regular budget	Professional (work-years/months)	General Service	Staff costs (in constant 2000-01 US$)	Other costs	Total resources
Strategic objectives – Technical programmes					
Cross-cutting activities					
Decent Work: Inter-sectoral Operational Support	10 / 0	3 / 0	2,053,248	916,226	2,969,474
Gender Equality	8 / 0	3 / 0	1,471,680	554,942	2,026,622
Statistics	24 / 0	28 / 6	5,841,288	452,542	6,293,830
International Institute for Labour Studies	/	/	0	4,931,020	4,931,020
International Training Centre of the ILO, Turin	/	/	0	5,540,000	5,540,000
External Relations and Partnerships	16 / 0	19 / 0	3,665,547	850,237	4,515,784
International Policy Group	8 / 0	2 / 0	1,387,056	145,150	1,532,206
Communications	18 / 0	11 / 0	3,577,632	2,127,292	5,704,924
ILO Web Development	4 / 0	2 / 0	740,832	50,000	790,832
Technical Meetings Reserve	3 / 3	0 / 0	464,412	1,089,690	1,554,102
2002-03 total	***91 / 3***	***68 / 6***	***19,201,695***	***16,657,099***	***35,858,794***
2000-01 total	***74 / 3***	***62 / 6***	***15,720,756***	***16,072,183***	***31,792,939***

31. *Decent Work: Inter-sectoral Operational Support.* This new programme will lead selected activities on decent work, in particular at country level, provide support to cross-sectoral collaboration in the technical programmes, and help to reinforce links between headquarters and the field in cooperation with the decent work teams. More information is provided in the strategic part of the budget.

32. *Gender Equality* is responsible for supporting the full implementation of a gender mainstreaming strategy in all aspects of the ILO's work at headquarters and in the field. It ensures that the ILO knowledge base expands on gender equality issues and that the ILO's contribution to promoting gender equality is visible. The resources for this programme remain unchanged in comparison to 2000-01.

33. *Statistics* encourages and provides support to initiatives that improve statistical information in member States and develops international compilations of labour statistics that are as complete,

comparable, easy to use and current as possible. The resources for this programme have been reduced by some $250,000 related to printing costs of the Yearbook of Labour Statistics. There is an increase in statistical work in the technical programmes, especially under the Social Dialogue Sector.

34. The *International Institute for Labour Studies* serves as a strategic facility to explore emerging labour policy issues with implications for the ILO. It also provides an autonomous and informal vehicle for dialogue between the international academic community and ILO staff and constituents. It offers social policy training programmes. The level of resources remains unchanged from 2000-01.

35. The *International Training Centre of the ILO, Turin*, develops and delivers training programmes related to ILO and constituent priorities. Many programmes are delivered at the Centre, while others are delivered through distance-learning technologies. An increase of $200,000 is provided to support development of a system to continue relations and networking with participants in training courses and ILO meetings.

36. The *Bureau for External Relations and Partnerships* supports the Director-General and the Office in relations with the multilateral system, pursues stronger linkages with the United Nations organizations and other international partners, and promotes ILO perspectives and positions with those organizations and in meetings and forums of the international community. Within the Bureau, the *International Policy Group* conducts ongoing policy research and analysis and develops ILO policy approaches in this regard. The resources of the International Policy Group have been increased by 2/00 Professional work-years, in particular to support the work of the Governing Body's Working Party on the Social Dimension of Globalization. The *New York Liaison Office* is the direct point of contact with the United Nations secretariat and other UN agencies located in New York.

37. *Communications* informs and supports the rest of the Office in informing the media, specialized audiences and the general public of ILO views and actions. Compared to the 2000-01 biennium, the budget has been increased by some $106,000, consisting of one additional Professional work-year offset by a slight reduction in non-staff costs. The additional work-year will be used to facilitate the implementation of the new communication strategy.

38. *ILO Web Development.* The ILO's Internet and Intranet capacities were initiated by the Bureau of Programming and Management, which cannot continue to devote resources to build a capacity which is outside its mandate. Resources for Web development are therefore provided separately. A decision on reporting arrangements will be made later. The ILO Web is an integral part of delivery of ILO technical programmes and it is therefore shown as a cross-cutting activity.

39. *Technical Meetings Reserve* is the budgetary provision for costs associated with preparing reports for and convening nine technical meetings. In the past, these resources were shown under the technical sector responsible for the meeting. It is currently foreseen to hold the 17th International Conference on Labour Statisticians and the Joint ILO/WHO Committee on Occupational Health during the 2002-03 biennium. Provision within this reserve has been earmarked for these two meetings. The Governing Body will be invited to decide on the subject and composition of the remaining seven meetings at future sessions.

The regions

Table A1-8. Operational budget: The regions

Regular budget	Professional (work-years/months)	General Service	Staff costs (in constant 2000-01 US$)	Other costs	Total resources
Strategic objectives – The regions					
Development Cooperation					
Executive Director's Office	2 / 0	2 / 0	582,128	9,267	591,395
Development Cooperation	13 / 0	4 / 9	2,334,252	70,480	2,404,732
Field Programmes in Africa	143 / 0	322 / 0	27,208,769	12,864,525	40,073,294
Field Programmes in the Americas	114 / 0	186 / 0	25,530,373	11,149,890	36,680,263
Field Programmes in Arab States	29 / 1	44 / 0	5,674,036	2,455,394	8,129,430
Field Programmes in Asia and the Pacific	128 / 6	298 / 0	26,939,368	11,021,238	37,960,606
Field Programmes in Europe and Central Asia	41 / 0	58 / 0	8,505,988	3,874,664	12,380,652
2002-03 total	***470 / 7***	***914 / 9***	***96,774,914***	***41,445,458***	***138,220,372***
2000-01 total	***471 / 0***	***901 / 0***	***96,603,699***	***41,677,818***	***138,281,517***

40. *Development Cooperation* is the primary focal point for ILO relations with donors and is responsible to the Governing Body on technical cooperation matters including the development and follow-up on related policies and programmes. This includes resource mobilization, development of agreements and reporting to donors. This requires coordination with technical and field departments on technical cooperation policies and procedures. The resources for this programme have been reduced by some $61,000.

Field Programmes in Africa

41. The Regional Office in Abidjan is responsible for regional management, supervision and administrative support for ILO offices in the region.

42. ILO offices are located in Abidjan, Addis Ababa, Algiers, Antananarivo, Cairo, Dakar, Dar es Salaam, Kinshasa, Lagos, Lusaka, Pretoria and Yaoundé.

43. There are six multidisciplinary advisory teams:

- The West Africa Multidisciplinary Advisory Team, which is located in Abidjan and covers Benin, Burkina Faso, Côte d'Ivoire, Ghana, Niger, Nigeria and Togo;
- the East Africa Multidisciplinary Advisory Team, located in Addis Ababa, which covers Comoros, Djibouti, Eritrea, Ethiopia, Kenya, Madagascar, Mauritius, Seychelles, Somalia, United Republic of Tanzania and Uganda;
- the North Africa Multidisciplinary Advisory Team, which is located in Cairo and covers Algeria, Egypt, Libyan Arab Jamahiriya, Morocco, Sudan and Tunisia;
- the Sahelian Africa Multidisciplinary Advisory Team, located in Dakar, which covers Cape Verde, Gambia, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Senegal and Sierra Leone;
- the Southern Africa Multidisciplinary Advisory Team, which is located in Harare and covers Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia and Zimbabwe; and
- the Central Africa Multidisciplinary Advisory Team, located in Yaoundé, which covers Angola, Burundi, Cameroon, Central African Republic, Chad, Congo, Democratic Republic of the Congo, Equatorial Guinea, Rwanda and Sao Tome and Principe.

The total level of resources for the region remains unchanged from 2000-01.

Field Programmes in the Americas

44. The Regional Office in Lima is responsible for regional management, supervision and administrative support for ILO offices in the region. The Andean unit is responsible for the planning and management of ILO activities in the Andean countries.

45. ILO offices are located in Brasilia, Buenos Aires, Mexico, Port-of-Spain and San Jose. The Washington Branch Office serves as a liaison point for the United States.

46. There are four multidisciplinary advisory teams:

- the Caribbean Multidisciplinary Advisory Team, which is located in Port-of-Spain and covers Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago;
- the Southern Americas Multidisciplinary Advisory Team, located in Santiago, which covers Argentina, Brazil, Chile, Paraguay and Uruguay;
- the Central American Multidisciplinary Advisory Team, which is located in San Jose and covers Costa Rica, Cuba, Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua and Panama; and
- the Andean Multidisciplinary Advisory Team, located in Lima, which covers Bolivia, Colombia, Ecuador, Peru and Venezuela.

47. The Inter-American Research and Documentation Centre on Vocational Training (CINTERFOR) in Montevideo, in cooperation with the multidisciplinary advisory teams, develops and consolidates the network of vocational training institutions. It helps to advise constituents on vocational training policies and programmes.

48. The total level of resources for the region remains unchanged from 2000-01.

Field Programmes in Arab States

49. The Regional Office in Beirut provides regional management, administrative support for the overall management of ILO activities in the region; financial management of the regional programme; regional monitoring of social and economic development; the maintenance of relations with regional institutions, and information on ILO activities.

50. The Arab States Multidisciplinary Advisory Team is in Beirut and covers: Bahrain, Iraq, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syrian Arab Republic, United Arab Emirates, Yemen and the Palestinian autonomous territories in Gaza and the West Bank.

51. The total level of resources for the region remains unchanged from 2000-01.

Field Programmes in Asia and the Pacific

52. The Regional Office in Bangkok is responsible for regional management, supervision and administrative support for ILO offices in the region.

53. ILO offices are located in Bangkok, Beijing, Colombo, Dhaka, Hanoi, Islamabad, Jakarta, Kathmandu, Manila, New Delhi and Suva. A Branch Office is located in Tokyo.

54. There are three multidisciplinary advisory teams:

- the East Asia Multidisciplinary Advisory Team, which is located in Bangkok and covers Cambodia, China, the Republic of Korea, Lao People's Democratic Republic, Malaysia, Mongolia, Myanmar, Singapore, Thailand and Viet Nam;
- the South-East Asia and the Pacific Multidisciplinary Advisory Team located in Manila, which covers Fiji, Indonesia, Papua New Guinea, the Philippines, the Solomon Islands and the island countries of the South Pacific; and
- the South Asia Multidisciplinary Advisory Team, which is located in New Delhi and covers Afghanistan, Bangladesh, India, the Islamic Republic of Iran, Nepal, Pakistan and Sri Lanka.

The total level of resources for the region remains unchanged from 2000-01.

Field Programmes in Europe and Central Asia

55. The Regional Office in Geneva is responsible for the planning, coordination and implementation of ILO activities in the region and for relations with other institutions, particularly the United Nations Economic Commission for Europe, the European Union (EU) and the Organisation for Economic Co-operation and Development (OECD).

56. Branch offices are involved in fund-raising and promoting the technical cooperation programme. They maintain and develop relations with national and international institutions and organizations, and particularly employers' and workers' organizations. There are six branch offices in Ankara, Bonn, London, Madrid, Paris and Rome and a Liaison Office in Brussels. There are also full-time and/or part-time national correspondents in Bosnia and Herzegovina, Bulgaria, Estonia, Kazakhstan, Latvia, Lithuania, Poland, Romania, Slovakia, Ukraine and in other CIS countries.

57. There are two multidisciplinary advisory teams:

- the Central and Eastern European Multidisciplinary Advisory Team, which is located in Budapest and covers Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, The former Yugoslav Republic of Macedonia, Republic of Moldova, Poland, Romania, Slovakia, Slovenia, Ukraine and Yugoslavia; and
- the Eastern European and Central Asian Multidisciplinary Advisory Team, located in Moscow, which covers Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Russian Federation, Tajikistan, Turkmenistan and Uzbekistan.

The total level of resources for the region remains unchanged from 2000-01.

Support Services

Table A1-9. Operational budget: Support Services

Regular budget	Professional	General Service	Staff costs	Other costs	Total resources
	(work-years/months)		(in constant 2000-01 US$)		
Strategic objectives – Support Services					
Library and Information Services	19 / 0	28 / 6	5,144,088	1,901,947	7,046,035
Information Technology and Communications	50 / 0	33 / 0	9,947,392	1,821,186	11,768,578
Internal Administration	12 / 0	166 / 0	16,810,584	13,038,968	29,849,552
Publications	23 / 0	10 / 0	4,187,716	810,654	4,998,370
2002-03 total	***104 / 0***	***237 / 6***	***36,089,780***	***17,572,755***	***53,662,535***
2000-01 total	***106 /10***	***255 / 6***	***38,100,341***	***17,465,554***	***55,565,895***

58. The *Bureau of Library and Information Services* creates an information and knowledge-sharing network of electronic and printed information products on key social and labour issues. It guarantees continuous access to and the sharing of those resources with ILO headquarters and field staff, constituents and researchers.

59. *Information Technology and Communications* is responsible for the ILO information technology infrastructure including hardware, software and connectivity issues, as well as application development consulting services, database administration, IT research and development activities, and IT standards.

60. *Internal Administration* manages and administers property services, travel, transport and insurance services, and the management of contracted services, including security, catering and cleaning services. It is also responsible for procurement, telephone, facsimile and mail services, and the maintenance of the central filing and archives system.

61. *Publications* produces, markets and distributes ILO publications.

62. Compared to the previous biennium, resources are decreased by $1.9 million. This largely consists of a reduction in General Service work-years, nine posts out of a total of 127, that was made possible by the further development and use of information technology by the support services.

Management Services

Table A1-10. Operational budget: Management Services

Regular budget	Professional (work-years/months)	General Service	Staff costs (in constant 2000-01 US$)	Other costs	Total resources
Management Services					
General Management	19 / 4	20 / 0	5,074,909	1,264,817	6,339,726
Human Resources Development	34 /10	66 / 2	11,010,442	4,298,155	15,308,597
Financial Services					
Executive Director's Office	2 / 0	2 / 0	582,128	9,267	591,395
Financial Services	30 / 0	74 / 4	10,754,834	508,534	11,263,368
Programming and Management	26 / 5	7 / 0	4,461,844	238,977	4,700,821
2002-03 total	***112 / 7***	***169 / 6***	***31,884,157***	***6,319,750***	***38,203,907***
2000-01 total	***118 /10***	***160 / 8***	***32,235,868***	***5,458,239***	***37,694,107***

63. *General Management* incorporates executive management of the Office. The resources remain unchanged from the previous biennium.

64. *Human Resources Development* manages personnel planning and career development. It also administers personnel policies, rules and practices, as well as staff salaries, entitlements, benefits and health insurance. The resources for the department have been increased by some $306,000 compared to 2000-01. Additional resources amounting to some $600,000 will help implement the new collective agreement on grievance handling. This increase is partially offset by savings in human resources administration.

65. *Financial Services* is responsible for ensuring that financial duties and obligations are carried out effectively and efficiently and in compliance with the Financial Regulations and Rules. Provision is included for the *Executive Director's Office*. The resources of this department have been increased by $300,000 in order to provide for further development and use of internet technology; and to provide support to legacy systems during the development of new financial systems.

66. *Programming and Management*, under the guidance of the Director-General, provides the Governing Body and Conference with the analysis and proposals necessary to define the ILO's programme of work and to monitor and evaluate its implementation. It advises on and supports the implementation of improvements in internal structures and management systems. It houses *Internal Audit* which reports to the Director-General. The resources have been reduced by some $96,000.

Other budgetary provisions

67. This programme includes the budgetary provisions for contributions to various ILO funds and United Nations common system and inter-agency bodies, as well as provisions that do not appropriately fall elsewhere in the programme and budget.

68. Programme increases of some $306,000 result primarily from an increase in the provision for the ILO's contribution to the Staff Health Insurance Fund in respect of the insurance of retired officials. This increase has in part been offset by reductions in contributions to the ILO Staff Pension Fund and in the cost of the Administrative Tribunal.

69. *Loan annuities on the ILO building:* Provision is made for the payment of two annuities of 3,702,300 Swiss francs in 2002 and 2003 (equivalent to $4,839,590 for the biennium) for the loan from the Swiss Property Foundation for the International Organizations (FIPOI) in connection with the ILO headquarters building.

70. *ILO Staff Pensions Fund:* On the basis of the most recent actuarial valuation and while maintaining the ILO's commitment to ensure the payment of benefits under this Fund, it has been possible to reduce in real terms the estimated regular budget contribution by some $482,000 to $1.02 million for the biennium 2002-03.

71. *Special Payments Fund:* The purpose of this Fund is to make periodic ex gratia payments to former officials or their spouses in accordance with criteria approved by the Governing Body. The

regular budget contribution to this Fund of 200,000 Swiss francs is maintained at the same level as in the previous biennium.

72. *Staff Health Insurance Fund: Contribution for the insurance of retired officials:* This provision, amounting to some $9.9 million, covers the ILO's contribution to the Staff Health Insurance Fund in respect of the insurance of retired officials, invalidity pensioners and survivors (spouses and orphans). The provision reflects an increase of some $906,000 in real terms, due to the expected increase in the number of retired officials.

73. *Contribution to the Building and Accommodation Fund:* The provision under this heading remains at 365,000 Swiss francs.

74. *Contribution to various United Nations common system bodies and inter-agency committees:* The contributions to various United Nations common system bodies and inter-agency committees are as follows:

Joint Inspection Unit ($390,000)

Consultative Committee on Administrative Questions ($86,910)

Consultative Committee on Programme and Operational Questions ($40,840)

International Civil Service Commission ($607,210)

Information Systems Coordination Committee ($78,170)

Office of the United Nations Security Coordinator ($70,000)

Joint Medical Service ($1,021,700)

The total provision of some $2.3 million covers the ILO contributions to these UN common system entities and remains, in real terms, at the same level as the 2000-01 biennium. The Office is examining the possibility of establishing an internal occupational safety and health unit, which would incorporate the current health unit but also undertake an active strategy to promote the good health of staff and a safe and secure working environment. If it is decided to proceed in this direction, it is estimated that the funds required for such a unit would not exceed those required for the Joint Medical Service.

75. *External audit costs:* The provision under this heading, amounting to some $596,000, includes the cost of the audit of all the funds for which the Director-General has custody (regular budget, UNDP, trust funds, extra-budgetary accounts and all other special accounts).

76. *Administrative Tribunal:* The resources under this heading provide for the Registrar of the Administrative Tribunal and a share of other operating costs based on the proportion of ILO staff to the total number of staff of organizations which have accepted the jurisdiction of the Tribunal. In accordance with the decision of the Governing Body in March 1999, the composition of other operating costs of the Tribunal apportioned amongst participating organizations has been extended and now covers all the costs of the Assistant Registrar, clerical assistance, mission credits, translation work, the maintenance of a computer database of the Tribunal's case law, the judges' fees and travel expenses. This new method of apportioning costs amongst participating organizations has led to a reduction in real terms of some $120,000 for the 2002-03 biennium.

77. *Staff representation:* Article 10.1 of the Staff Regulations accords time off to members of the Staff Union Committee for the purpose of representing the staff of the Office on questions of conditions of work and terms of employment. As in previous biennia, a provision of 4/00 Professional and 1/00 General Service work-years is proposed to partially finance replacements in those units in which members of the Staff Union Committee normally work. A further 2/00 General Service work-years provides for a secretary for the Staff Union.

78. *International School of Geneva:* The contribution to the International School of Geneva amounts to 88,400 Swiss francs.

79. *Childcare facilities:* As in the previous biennium, an amount of some 270,000 Swiss francs has been provided for childcare facilities.

80. *Unpaid liabilities:* The amount of $2,000 provides for the payment in 2002-03 of such transactions in respect of previous years as would not be appropriate to pay from any other item of the budget. This provision is required by article 17 of the Financial Regulations.

Part II: Unforeseen expenditure

81. Provision is made under this item for unforeseen and extraordinary expenses, i.e. those which may arise when, as a result of Governing Body decisions taken after the adoption of the budget, or for any other reason, an approved budget credit is no longer sufficient for the purpose envisaged; or when the Governing Body approves an item of work or an activity for which no provision has been made in the budget.

82. In accordance with article 15 of the Financial Regulations, no part of the resources provided under this item may be used for any other purpose without the specific prior authorization of the Governing Body.

83. The total supplementary expenditure authorizations approved by the Governing Body in respect of recent financial periods have been as follows:

Financial period	*US dollars*
1990-91	8,804,500
1992-93	2,325,000
1994-95	1,378,500
1996-97	438,900
1998-99	8,682,250

84. Normally, these authorizations have provided in the first instance for financing to the extent possible out of budgetary savings; failing this, out of the credit under this item; and after exhaustion of this credit, by a withdrawal from the Working Capital Fund.

85. The Governing Body at its 221st Session (November 1982) supported the Director- General's proposal that the provision under this item should be set at a more realistic level. However, in the current climate of financial constraints, it has not been possible to increase the level of this provision. Accordingly, the Director-General, while conscious of the need to maintain this provision in reasonable proportion to the size of the budget, proposes to keep it at the 2000-01 level, i.e. $875,000.

Part III: Working Capital Fund

86. The Working Capital Fund is established for the following purposes, as defined in article 19(1) of the Financial Regulations:

(a) to finance budgetary expenditure pending receipt of contributions or other income; and

(b) in exceptional circumstances and subject to prior authorization of the Governing Body, to provide advances to meet contingencies and emergencies.

87. *Level of the Working Capital Fund:* The level of the Working Capital Fund was set at 35 million Swiss francs on 1 January 1993 by the International Labour Conference at its 80th Session (June 1993).

88. *Refund of withdrawals:* Under the present provisions of article 21.2 of the Financial Regulations, any excess of budgetary expenditure over budgetary income for the 2000-01 biennium would be financed by a withdrawal from the Working Capital Fund. Provision for reimbursement of this withdrawal would be made under this part of the budget for assessment on member States in 2003.

89. However, the Governing Body at its 279th Session (November 2000) decided to recommend to the 89th Session (June 2001) of the International Labour Conference that the Financial Regulations be amended so that cash deficits directly attributable to income shortfalls could be reimbursed in the following biennium or biennia from arrears of contributions received. The provisions of article 21.2 described above would apply only to that portion of a cash deficit which was attributable to spending in excess of the expenditure budget on account of additional expenditure items authorized by the Governing Body. It is expected that no provision will be necessary under Part III in 2002-03.

Information annex 2

Details of cost increases

Proposed operational budget – Analysis of increases and decreases

	2000-01	2002-03 Estimates in Constant 2000-01 Dollars	Programme increases (Decreases)		Cost increases (Decreases)		2002-03	% of Total Budget
	$	$	$	%	$	%	$	%
PART I. ORDINARY BUDGET								
Policy-making organs	**60,896,671**	**59,388,651**	**–1,508,020**	**–2.48**	**685,064**	**1.15**	**60,073,715**	**12.66**
International Labour Conference	9,602,562	9,602,562	–	–	240,065	2.50	9,842,627	
Governing Body	3,729,458	3,729,458	–	–	49,634	1.33	3,779,092	
Major Regional Meetings	558,700	848,630	289,930	51.89	20,369	2.40	868,999	
Legal Services	2,522,832	2,522,832	–	–	23,884	0.95	2,546,716	
Relations, meetings and document services	44,483,119	42,685,169	–1,797,950	–4.04	351,112	0.82	43,036,281	
Strategic objectives	**351,728,503**	**352,421,185**	**692,682**	**0.20**	**5,700,380**	**1.62**	**358,121,565**	**75.47**
Technical programmes	***157,881,091***	***160,538,278***	***2,657,187***	***1.68***	***1,979,373***	***1.23***	***162,517,651***	***34.25***
Standards and Fundamental Principles and Rights at Work	25,406,270	26,356,829	950,559	3.74	323,685	1.23	26,680,514	
Employment	36,200,027	34,772,248	–1,427,779	–3.94	424,682	1.22	35,196,930	
Social Protection	25,281,168	24,712,315	–568,853	–2.25	325,176	1.32	25,037,491	
Social Dialogue	39,200,687	38,838,092	–362,595	–0.92	447,698	1.15	39,285,790	
Decent Work: Inter-sectoral Operational Support	–	2,969,474	2,969,474	100.00	27,980	0.94	2,997,454	
Gender Equality	2,026,622	2,026,622	–	–	17,577	0.87	2,044,199	
Statistics	6,579,622	6,293,830	–285,792	–4.34	63,950	1.02	6,357,780	
International Institute for Labour Studies	4,931,020	4,931,020	–	–	78,896	1.60	5,009,916	
International Training Centre of the ILO, Turin	5,340,000	5,540,000	200,000	3.75	99,720	1.80	5,639,720	
External Relations and Partnerships	4,515,784	4,515,784	–	–	75,177	1.66	4,590,961	
International Policy Group	1,246,414	1,532,206	285,792	22.93	11,718	0.76	1,543,924	
Communications	5,599,375	5,704,924	105,549	1.89	58,276	1.02	5,763,200	
ILO Web Development	–	790,832	790,832	100.00	10,706	1.35	801,538	
Technical Meetings Reserve	1,554,102	1,554,102	–	–	14,132	0.91	1,568,234	
Regions and technical co-operation	***138,281,517***	***138,220,372***	***–61,145***	***–0.04***	***3,042,380***	***2.20***	***141,262,752***	***29.77***
Development Cooperation	3,057,272	2,996,127	–61,145	–2.00	29,900	1.00	3,026,027	
Field Programmes in Africa	40,073,294	40,073,294	–	–	875,793	2.19	40,949,087	
Field Programmes in the Americas	36,680,263	36,680,263	–	–	691,664	1.89	37,371,927	
Field Programmes in Arab States	8,129,430	8,129,430	–	–	477,185	5.87	8,606,615	
Field Programmes in Asia and the Pacific	37,960,606	37,960,606	–	–	325,944	0.86	38,286,550	
Field Programmes in Europe and Central Asia	12,380,652	12,380,652	–	–	641,894	5.18	13,022,546	
Support services	***55,565,895***	***53,662,535***	***–1,903,360***	***–3.43***	***678,627***	***1.26***	***54,341,162***	***11.45***
Library and Information Services	7,397,379	7,046,035	–351,344	–4.75	146,398	2.08	7,192,433	
Information Technology and Communications	11,625,682	11,768,578	142,896	1.23	151,357	1.29	11,919,935	
Internal Administration	31,150,832	29,849,552	–1,301,280	–4.18	186,273	0.62	30,035,825	
Publications	5,392,002	4,998,370	–393,632	–7.30	194,599	3.89	5,192,969	
Management services	**37,694,107**	**38,203,907**	**509,800**	**1.35**	**272,632**	**0.71**	**38,476,539**	**8.11**
General Management	6,339,726	6,339,726	–	–	54,440	0.86	6,394,166	
Human Resources Development	15,002,862	15,308,597	305,735	2.04	92,604	0.60	15,401,201	
Financial Services	11,554,763	11,854,763	300,000	2.60	65,979	0.56	11,920,742	
Programming and Management	4,796,756	4,700,821	–95,935	–2.00	59,609	1.27	4,760,430	
Other budgetary provisions	**20,243,879**	**20,549,417**	**305,538**	**1.51**	**448,047**	**2.18**	**20,997,464**	**4.43**
Adjustment for staff turnover	**–3,968,160**	**–3,968,160**	–	–	**–46,658**	**1.18**	**–4,014,818**	**–0.85**
TOTAL PART I.	466,595,000	466,595,000	–	–	7,059,465	1.51	473,654,465	99.82
PART II. UNFORESEEN EXPENDITURE								
Unforeseen expenditure	**875,000**	**875,000**	–	–	–	–	**875,000**	**0.18**
PART III. WORKING CAPITAL FUND								
Working Capital Fund	–	–	–	–	–	–	–	–
TOTAL (PARTS I-III)	**467,470,000**	**467,470,000**	–	–	**7,059,465**	**1.51**	**474,529,465**	**100.00**

1. This Information Annex provides information on the cost increases which have been included in the budget and which are calculated either on the basis of the object of expenditure, or on the basis of an analysis of a particular activity.

Inter-agency coordination regarding calculation of cost increases in Geneva-based portions of the budget

2. For a number of biennia, the ILO has used assumptions agreed upon in common with other organizations of the United Nations system having headquarters or major offices in Geneva as a basis for the calculation of cost increases in the Geneva-based portion of its budget.

3. In continuing this established practice, endorsed by ACC, representatives of these organizations held a meeting in November 2000 to consider rates of exchange and inflation to be assumed for Switzerland in their proposed budgets covering 2001 or 2002-03. The conclusions of the meeting were as follows:

US dollar-Swiss franc exchange rate

4. The rate of exchange assumed for budgetary purposes between the United States dollar and the Swiss franc was of particular importance for organizations whose budgets were denominated in dollars and whose expenditures were incurred to a significant extent in Swiss francs. However, the rate also had importance for organizations whose budgets were denominated in Swiss francs, since it affected the Swiss franc equivalent of estimates for dollar income and expenditure for activities in which costs were incurred in dollars, and contributions to the United Nations Joint Staff Pension Fund, which were calculated in dollars.

5. As was the case in previous meetings, participants recognized that market conditions made it impossible for organizations to predict the evolution of exchange rates, especially for periods as long as the one extending from the time of preparation of proposed budgets up to the end of the financial period that they covered. The latest actual rate was therefore normally taken as a basis in drawing up budget estimates. Since governing bodies considered proposed budgets at different times and the timing of their reviews determined the dates at which the estimates had to be established, no common cut-off date, and hence no common rate, could be contemplated. Each organization might wish, however, to adopt the last United Nations operational rate of exchange that was known at the time of the completion of its proposed budget. Adjusted estimates could subsequently be presented at the time of governing bodies' reviews where this was judged to be appropriate by the Executive Head concerned.

Rates of inflation in Switzerland and other cost increases

6. The other cost changes for which it was necessary to make provision in proposed budgets included both the expected effects of inflation and "statutory" changes resulting from upgradings and downgradings of posts, recruitments and promotions, annual salary increments, etc. It was for each organization to make allowance for these latter factors in the light of its own experience and trends; consequently, it was difficult to encourage uniform rates in this area. On the other hand, a common set of assumptions could be agreed upon with regard to the evolution of economic factors in Switzerland in the period considered. However, since for a variety of reasons the estimates for the *preceding* period embodied different assumptions on cost levels, each organization would need to decide on the adjustments required in its 2000 and 2001 estimates in order to provide an adequate cost base in budgeting for the economic conditions jointly assumed for 2002 and 2003. Elements that could involve changes in cost levels but depended on decisions still to be taken by governing bodies might need to be included in proposed budgets, but, in that case, would be specially identified as conditional items.

7. The official Swiss consumer price index had shown a year-on-year increase of 1.7 per cent in 1999 and an increase of 2.0 per cent from September 1999 to September 2000. Participants discussed forecasts made by financial institutions and concluded that a 1.8-1.9 per cent general rate of inflation should be used for 2000, 2001 and 2002. However, it was understood that the general rates of inflation to be used by individual organizations in their budget estimates would be subject, as were budgetary rates of exchange, to the dates of preparation and review of their budget proposals. In view of the evolution of the inflation rate, organizations would need to take account of any new developments or revised predictions made up to those dates.

8. Consideration was then given separately, for each of the organizations' major items of expenditure, to the cost increases which had actually taken place in 1999 and were expected in 2000 and to those increases that might be expected in 2001 and 2002, and 2003. In this review account was taken of available official statistics, statements of competent authorities, the views of reputable economic analysts and information gathered from professional associations and other appropriate sources. It was noted that in some cases these data suggested rates of inflation for individual types of expenditure which differed from the overall rate assumed. The agreements reached are set out below, subject to review by individual organizations on the basis of any further information that may become available at a later stage.

(a) Staff costs for the Professional and higher categories in Geneva

ICSC has recommended to the General Assembly, effective 1 March 2001, a consolidation of 5.1 per cent post adjustment on a *no gain no loss* basis. A place-to-place survey was currently under way for Geneva, but results would not be known until March 2001. However, given the existing gap between the post adjustment index and the multiplier, it is very unlikely that there will be any change to the Geneva post adjustment multiplier in the next few years.

(b) Staff costs for the General Service category in Geneva

A comprehensive salary survey was last carried out in 1995. This indicated that existing pay scales were some 7.1 per cent higher than in the local market. The new salary scale is adjusted every year for inflation, but the old salary scale is still higher than the new scale and it would be several years before inflation closed the gap. The next comprehensive General Service salary survey is scheduled to start in 2001. It is unlikely that there will be any significant increase in General Service staff costs in the forthcoming budget period.

(c) Contributions to the United Nations Joint Staff Pension Fund

The total rate of contribution to the United Nations Joint Staff Pension Fund, corresponding to 23.7 per cent of pensionable remuneration, was not scheduled for revision at present. The two-thirds share financed by member organizations would therefore remain at 15.8 per cent of pensionable remuneration in 2000 and 2001. Any recommendation by the Pension Board meeting in the summer of 2002 would only have any impact in 2003. The meeting agreed to assume that the status quo with regard to the rate would continue.

For staff in the Professional and higher categories, increases in the New York post adjustment of 3.6 per cent took effect in 2000. This figure produced a similar increase in the level of worldwide Professional pensionable remuneration and thus in the cost of organizations' pension contributions. This affects the pension costs for Geneva-based staff notwithstanding the absence of any increase in post adjustment. Similar increases of around 3-4 per cent per year could be expected in 2001, 2002 and 2003.

For staff in the General Service category, pensionable remuneration was the dollar equivalent of the sum of the local gross salary, any language allowance and any non-resident's allowance payable. Although the local gross salary may in practice be frozen for the next few years, any changes in the dollar-Swiss franc rates of exchange would impact the dollar costs of organizations' contributions.

(d) Other common staff costs

Proposals were currently before the General Assembly for an increase of 4 per cent in the maximum admissible education grant for Switzerland. There would also be some changes in the termination scale and in the mobility and hardship allowance, but with minimal impact on total Geneva staff costs. Increases in language allowances for the General Service category are dependent on the outcome of the salary survey mentioned above. A proposed increase of 11.89 per cent in the local currency amount for children and secondary dependent allowances would, if approved, be effective in January 2001 with no further increases foreseen in the period 2002-2003.

(e) Travel and transport and air freight

It was agreed to use the general inflation rate assumption in paragraph 7 above.

(f) Contractual services

Contractual printing and binding: Except for paper costs, it is expected that increases for printing and binding services will be at the general rate of inflation assumed in paragraph 7 above. In

cases where the orders are placed in other countries than Switzerland different annual rates of increase have been foreseen.

Other contractual services (including contractual maintenance of premises and equipment): Costs of other contractual services including contractual maintenance of premises and equipment are expected to increase at the annual rate of inflation assumed above.

(g) General operating expenses

Fuel oil: It was difficult to estimate the evolution of fuel prices in the light of recent major increases in crude oil costs. It was agreed that organizations should take into account the latest price levels in effect at the time of the completion of their proposed budgets and assume a general inflation rate thereafter.

Other utilities: It has been announced that water rates will increase by 7 per cent in 2001; they are expected to remain at that level through 2002 and 2003. For electricity, it was anticipated that price increases, if any, would not exceed the general inflation level assumed in paragraph 7 above.

Communications (telephone, telex and facsimile services, postage): Communications costs in Switzerland are currently stable and increases beyond the general rate of inflation are not expected; telephone rates are not expected to exceed current levels.

Pouch services: Pouch costs are expected to reflect a tariff increase of 3 per cent in 2001 together with a fuel surcharge of 7 per cent; thereafter a general rate of inflation might be assumed.

(h) Supplies and materials

Paper and printing supplies: Based on a market study, an inflation rate of 5 per cent per year could be assumed.

Other supplies and materials: The cost of other supplies was expected to increase at around the general rate of inflation.

(i) Acquisition of furniture and equipment

The steady price decreases for office automation equipment (hardware and software) during 1999 and 2000 were expected to continue. However, the need to replace the old equipment by more sophisticated equipment, which is more expensive, and the purchase of new software packages, were expected to completely offset the anticipated savings. For furniture and other equipment, average increases were expected in line with the general inflation assumption in paragraph 7.

9. In the ILO's Programme and Budget proposals, unless otherwise disclosed, these commonly agreed assumptions have been used to calculate cost increases in 2002-03 as regards expenditure to be incurred in Switzerland. A general rate of inflation of 1.8 per cent for Geneva costs has been applied in accordance with the commonly agreed assumptions and this rate is consistent with projected rates obtained by the Office. For duty stations outside Switzerland, cost increases have been calculated on the basis of detailed analyses of price and salary movements at each duty station since these may vary widely from region to region and within each region.

Details of cost increases by object of expenditure

10. Cost increases are applied to the budget either on the basis of the object of expenditure, or on the basis of an analysis of particular activities.

Staff costs

Staff calculated at standard cost

11. The increases in the standard costs are explained in paragraphs 32 to 52 below.

Interpreters, committee secretaries and short-term Conference staff

12. A provision for cost increase has been made in line with cost increases provided for staff costs.

Locally recruited staff

13. Cost increases applicable to locally recruited staff in field duty stations are discussed in paragraph 31 below.

Travel on official business

14. No increases have been provided for the cost of air tickets after taking account of competitive pricing available in most markets.

Contractual services

External collaboration

15. In general the cost of external collaboration contracts should evolve in relation to the cost of Professional staff. A cost increase of 1.9 per cent for the biennium has been provided for external collaboration, in accordance with the increase for Professional staff (paragraph 32).

External printing and binding

16. Cost increases of 3 per cent per annum for paper supplies, as agreed between the Geneva-based agencies, have been applied to this category of expenditure.

General operating expenses

17. The range of items under this object of expenditure is so varied that any significant cost increases provided for are mentioned below under the programme concerned, in particular for those provisions under Internal Administration (paragraphs 26 to 28).

Supplies, materials, furniture and equipment

18. Following a recent survey of furniture and equipment prices, conducted by the Office, no increases are considered necessary under this category of expenditure.

Other expenditure

19. This is composed of joint administrative activities within the United Nations system, e.g. CCAQ, UN Joint Inspection Unit. The budget estimates for these bodies have been used as a basis where available, with cost increases being based on the general rate of assumed inflation in the location of the various bodies: 1.8 per cent for Geneva and 3.3 per cent for New York. In addition, minor modifications have occurred in the apportionment of the costs between participating agencies. Forecast increases in pensionable remuneration of retirees of some 3.5 per cent per annum have been applied to the provision for the ILO contribution to the Staff Health Insurance Fund for retirees.

Regular Budget Technical Cooperation (RBTC)

20. A cost increase of 1.5 per cent for the biennium, which represents the average rate of inflation forecast for the regions (paragraph 31), has been applied to Regular Budget Technical Cooperation field projects.

Details of cost increases by programme

21. For certain programmes involving specific types of expenditure, it would not have been realistic to use the average rates of increase indicated above. In such cases, cost increases are based on an appraisal of the particular conditions applying to each case. Details of these increases, and of other cost increases which are considered sufficiently important to be mentioned separately, are given below.

Governing Body

22. Increases reflecting the forecast rate of inflation for Geneva will be provided for daily subsistence allowances payable to Governing Body members.

International Standards and Human Rights

23. No increase has been foreseen in the honoraria paid to members of the Committee of Experts on the Application of Conventions and Recommendations.

International Training Centre of the ILO, Turin

24. Cost increases of 1.8 per cent per annum have been provided to reflect forecast inflation in Italy.

International Institute for Labour Studies

25. The ILO's contribution to the Institute has been adjusted to take into account the anticipated movement in the average standard costs for Professional and General Service staff.

Internal Administration

26. The main non-staff items under this programme are: building running expenses (water, electricity, heating oil and maintenance, cleaning contracts); purchases of equipment, supplies and materials; telecommunications, postage and pouch expenses; and rental and maintenance of furniture, equipment and vehicles.

(a) Building running expenses

27. The rates agreed upon between the Geneva-based agencies, have been applied to this category of expenditure.

(b) Telecommunications, postage and pouch expenses

28. Due to the increased competition in these sectors and agreements that have been negotiated by the Office, no increase has been considered necessary.

Library and Documentation

29. Based on a recent competitive bidding exercise for serials and periodicals and advice from suppliers it has been found necessary to provide for anticipated cost increases of 7 per cent per annum for this category of expenditure.

Cost increases in the regions

(a) International costs

30. Provision has been made for internationally recruited staff in the field on the basis of the standard costs described in paragraphs 32 to 52 below. The provisions for cost increases for RBTC are described in paragraph 20 above.

(b) Local costs

31. Increases in local costs, including those for salaries and allowances of locally recruited staff, are calculated individually for each of the ILO's offices outside Geneva. The latest 2000 costs are increased for estimated inflation in 2001, 2002 and 2003, and take account of the effect of adjustments in the rate of exchange between the local currency and the US dollar and the Swiss franc (where for budgeting purposes the local currency is assimilated to the Swiss franc). The annual rates of cost increases vary considerably between and within regions. The average annual rate for each region, in dollar terms, is as follows:

	Percentage increase per annum
Africa	0.65
The Americas	0.55
Arab States	2.80
Asia and the Pacific	
Europe	2.20

Standard costs

32. Separate standard costs are used for Professional and General Service category staff in Geneva. They do not cover staff in grades D2 and above.

33. The standard costs are composed of a number of elements, the cost of which can vary from one biennium to another with changes in the cost of living, conditions of service, places of recruit-

ment and assignment of staff, etc. The 2002-03 standard costs are essentially a projection of actual costs in 2000 with appropriate allowances for expected trends of inflation, changes in staff entitlements, and the movement of staff.

34. The compositions of the standard costs, with comparative figures for 2000-01, are given below. The Professional category standard cost is based on an exchange rate of 1.53 Swiss francs to the US dollar. The General Service category standard cost is expressed in Swiss francs.

	2000-01 budget in US$ at a rate of 1.53 SFr	2002-03 budget in US$ at a rate of 1.53 SFr
Professional category:		
Basic salaries	69,220	74,400
Post adjustment	27,526	23,810
Dependency allowances	1,880	2,085
ILO contribution to pension fund	19,760	20,085
ILO contributions to the Staff Health Insurance Fund and other staff insurance	3,010	3,065
Education grants and scholastic travel	5,780	6,545
Travel and removal expenses incurred on appointment, home leave, transfer, etc.	5,840	4,975
Allowances paid on appointment and relocation	7,430	8,035
Terminal payments	2,450	2,548
	142,896	***145,548***

	2000-01 budget (in Swiss francs)	2002-03 budget (in Swiss francs)
General Service category:		
Basic salaries	97,138	96,663
Dependency allowances	5,575	5,860
ILO contribution to pension fund	20,235	20,014
ILO contributions to the Staff Health Insurance Fund and other staff insurances	3,045	3,039
Education grants and scholastic travel	1,325	1,155
Travel and removal expenses incurred on appointment, home leave, transfer, etc.	615	590
Allowances paid on appointment and relocation	350	325
Terminal payments	1,190	1,498
	129,473	***129,144***
	584,624	***584,408***
	at SFr 1.53 to 1 US$	at SFr 1.53 to 1 US$

35. As the budget proposals are presented in constant 2000-01 dollars, the standard costs per work-year used in the estimates in the budget tables are those for 2000-01, i.e. $142,896 for the Professional category and $84,624 for the General Service category. The standard costs given above for 2002-03 ($145,548 per Professional work-year and $84,408 per General Service work-year) have been used in calculating the total expenditure budget including cost increases. When the budget has been adopted by the Conference, the final standard costs, taking account of the budget rate of exchange, will be used for costing the individual budget tables. An explanation of the method of calculating the standard costs follows.

Professional category

Basic salaries

36. The estimate represents net basic salaries, i.e. gross salaries less staff assessment. Using the current actual average base salaries as a base, allowance has been made for increases in salaries due to the net effect of such factors as annual increments payable in accordance with the Staff Regula-

tions, regradings, retirements, new appointments, etc., and includes a provision for the commutation of accrued leave at the end of service. The increase in the base/floor salary scale of 5.1 per cent effective March 2001, as proposed by the ICSC has been included. Although further consolidations of post adjustment into net basic salary at an average rate of 4 per cent per year in 2002 and 2003 have been assumed for the calculation of those elements which are based on the base/floor salary scale alone (mobility, hardship and terminal payments), they have not been applied in the calculation of basic salary in order to preserve as far as possible comparability with the 2000-01 cost of this category. Since such consolidations increase basic salary while at the same time decreasing post adjustment on the no gain/no loss principle, the net combined effect on these two categories of the standard cost would be nil.

Post adjustment

37. The decrease in this category results from the consolidation of post adjustment into basic salary described above combined with the impact of lower than forecasted post adjustment rates, particularly in field locations. In line with the assumptions made by the inter-agency meeting which was held in Geneva in November 2000, no increases in post adjustment have been provided for in respect of staff based in Switzerland. A provision has been provided for officials serving in field duty stations in line with projected rates of inflation in the regions (paragraph 31).

Dependency allowances

38. The provision for dependency allowances takes account of the recommendation of the ICSC to increase the children's and secondary dependent's allowances by 11.9 per cent effective 1 January 2001.

ILO contribution to pension fund

39. This category covers the cost of the ILO contribution (15.8 per cent of pensionable remuneration) to the United Nations Joint Staff Pension Fund (UNJSPF). The actual increase in the scale of pensionable remuneration of 3.6 per cent in November 2000 has been taken into account. Provision has been made for increases in the scale in 2001, 2002 and 2003 based on estimates of salary inflation in the base duty station, New York.

ILO contributions to the Staff Health Insurance Fund and other staff insurance

40. This category is linked to basic salary, post adjustment, dependency allowances and mobility hardship and non-removal allowances, and thus the estimate changes in accordance with movements in the cost of these elements. The ILO contribution to the Staff Health Insurance Fund is maintained at the rate of 2.8 per cent.

Education grants and scholastic travel

41. Account has been taken of the recommendation of the ICSC to increase the ceiling amount for education grants (ranging from 4 per cent to 23 per cent, depending on location) and provision has been made for increases in fees charged by educational institutions in accordance with general inflation estimates. An adjustment has also been made for a slight under budgeting in the 2000-01 provision.

Travel and removal expenses incurred on appointment, home leave, transfer, etc.

42. This category includes travel on appointment, transfer, separation and family visit, and removal of household goods and transportation of personal effects. The decrease in this category is due to a favourable budget variance in the previous biennium.

Allowances paid on appointment and relocation

43. This category includes assignment grant, mobility allowance, hardship allowance, non-removal allowance, rental subsidy and per diem allowance for short-term staff. The increment in this category results both from increased staff mobility and the effect on mobility and other allowances of the expected increases in the base/floor salary scale arising from the consolidation of post adjustment in 2001, 2002 and 2003, as noted in paragraph 36 above.

Terminal payments

44. This category consists of a contribution to a Terminal Benefits Fund of 3.5 per cent of the basic salary for eligible officials. The small increase results from the effect of increases in the base/floor salary scale, including the consolidation of post adjustment into basic salary described in paragraph 36 above.

General Service category

Basic salaries

45. The decrease in basic salary results in part from the continued freezing of salaries following the ICSC salary survey in 1995 and the retirement of a number of staff at the top of the salary scale. Provision has been made for the net effect of factors such as annual increments payable in accordance with the Staff Regulations, regradings, retirements, new appointments, etc. No provision has been made for inflation as agreed at the Geneva inter-agency meeting.

Dependency allowances

46. Dependency allowances change as a function of basic salary and local conditions with respect to social benefits. As the amount of spouse and child allowance has not increased over the past two biennia, an increase has been provided for.

ILO contribution to pension fund

47. This category covers the cost of the ILO contribution to the United Nations Joint Staff Pension Fund (UNJSPF). The decrease results from the application of new scales of pensionable remuneration for new staff and the impact of the reduced base salary described above.

ILO contributions to the Staff Health Insurance Fund and other staff insurance

48. This category is linked to basic salaries, dependency allowances, mobility hardship and non-removal allowances, and accordingly reflects the net impact of movements in these elements. The ILO contribution to the Staff Health Insurance Fund is maintained at the rate of 2.8 per cent.

Education grants and scholastic travel

49. The decrease in this provision is due to the continuing reduction in the number of non-locally recruited General Service staff, through natural attrition, who are entitled to this benefit. Account has also been taken of the recommendation of the ICSC to increase the ceiling amount for education grants.

Travel and removal expenses incurred on appointment, home leave, transfer, etc.

50. This category includes travel on appointment, transfer, separation and family visit, and removal of household goods and transportation of personal effects. Similarly to the provision for education grants, the provision for this category has decreased due to the reduction in the number of non-locally recruited General Service staff entitled to this benefit.

Allowances paid on appointment and relocation

51. This category includes assignment grant, mobility allowance, hardship allowance, non-removal allowance and rental subsidy.

Terminal payments

52. This category comprises two factors, namely a contribution to a Terminal Benefits Fund of 3.5 per cent of the basic salary for eligible officials who entered service on or after 1 January 1964, and the estimated average cost of actual repatriation grant payments made to eligible terminating officials who entered service before 1 January 1964. The increase in this category is due to an under provision in the previous biennium.

Information annex 3

Proposed operational budget by item and object of expenditure

		1 Staff costs	2 Travel on official business	3 Contractual services	4 General operating expenses	5 Supplies and material	6 Furniture and equipment	7 Acquisition and improvement of premises	8 Fellowship grants and field projects	9 Other items	Total
		$	$	$	$	$	$	$	$	$	$
PART I. ORDINARY BUDGET											
Policy-making organs											
International Labour Conference	2000-01	6,301,722	71,570	1,738,490	1,241,950	248,830	–	–	–	–	9,602,562
	2002-03	6,415,772	59,650	1,733,200	1,095,920	240,150	42,870	–	15,000	–	9,602,562
Governing Body	2000-01	1,703,000	1,942,710	–	83,748	–	–	–	–	–	3,729,458
	2002-03	1,703,000	1,942,710	–	83,748	–	–	–	–	–	3,729,458
Major Regional Meetings	2000-01	261,800	121,520	41,110	130,270	4,000	–	–	–	–	558,700
	2002-03	150,000	210,980	142,500	345,150	–	–	–	–	–	848,630
Legal Services	2000-01	2,460,328	19,520	42,984	–	–	–	–	–	–	2,522,832
	2002-03	2,440,032	32,800	50,000	–	–	–	–	–	–	2,522,832
Relations, Meetings and Document Services	2000-01	40,232,425	39,040	1,089,667	2,180,460	243,340	698,187	–	–	–	44,483,119
	2002-03	38,034,241	39,040	1,588,291	2,082,650	242,760	698,187	–	–	–	42,685,169
Total	2000-01	**50,959,275**	**2,194,360**	**2,912,251**	**3,636,428**	**496,170**	**698,187**	–	–	–	60,896,671
	2002-03	**48,743,045**	**2,285,180**	**3,513,991**	**3,607,468**	**482,910**	**741,057**	–	15,000	–	59,388,651
Strategic objectives											
Technical programmes											
Standards and Fundamental Principles and Rights at Work	2000-01	21,656,102	999,715	1,347,567	–	–	158,986	–	1,243,900	–	25,406,270
	2002-03	22,169,414	1,306,945	1,467,584	–	–	168,986	–	1,243,900	–	26,356,829
Employment	2000-01	26,687,925	2,318,332	4,531,770	–	250,000	382,600	–	2,029,400	–	36,200,027
	2002-03	26,206,533	2,901,000	3,109,264	–	200,000	326,051	–	2,029,400	–	34,772,248
Social Protection	2000-01	21,973,099	696,320	1,346,965	–	22,118	122,166	–	1,120,500	–	25,281,168
	2002-03	20,800,613	1,081,508	1,519,694	–	15,000	175,000	–	1,120,500	–	24,712,315
Social Dialogue	2000-01	25,631,635	3,178,620	1,907,968	–	4,770	256,294	–	8,221,400	–	39,200,687
	2002-03	25,603,427	3,079,635	1,724,491	17,105	4,000	188,034	–	8,221,400	–	38,838,092
Decent work: Inter-sectoral Operational Support	2000-01	–	–	–	–	–	–	–	–	–	–
	2002-03	2,053,248	416,226	450,000	–	–	50,000	–	–	–	2,969,474
Gender Equality	2000-01	1,397,040	97,620	418,632	–	–	19,130	–	94,200	–	2,026,622
	2002-03	1,471,680	88,742	372,000	–	–	–	–	94,200	–	2,026,622
Statistics	2000-01	5,841,288	120,104	518,380	–	–	14,350	–	85,500	–	6,579,622
	2002-03	5,841,288	50,000	302,042	–	–	15,000	–	85,500	–	6,293,830
International Institute for Labour Studies	2000-01	–	–	–	–	–	–	–	4,931,020	–	4,931,020
	2002-03	–	–	–	–	–	–	–	4,931,020	–	4,931,020
International Training Centre of the ILO, Turin	2000-01	–	–	–	–	–	–	–	5,340,000	–	5,340,000
	2002-03	–	–	–	–	–	–	–	5,540,000	–	5,540,000
External Relations and Partnerships	2000-01	3,556,656	156,670	183,994	556,070	23,000	39,394	–	–	–	4,515,784
	2002-03	3,665,547	137,343	85,452	555,668	20,000	51,774	–	–	–	4,515,784
International Policy Group	2000-01	1,101,264	48,810	96,340	–	–	–	–	–	–	1,246,414
	2002-03	1,387,056	80,000	65,150	–	–	–	–	–	–	1,532,206
Communications	2000-01	3,360,096	258,500	1,724,509	78,730	101,020	76,520	–	–	–	5,599,375
	2002-03	3,577,632	258,500	1,657,552	66,800	88,310	56,130	–	–	–	5,704,924
ILO Web Development	2000-01	–	–	–	–	–	–	–	–	–	–
	2002-03	740,832	–	35,000	–	–	15,000	–	–	–	790,832
Technical Meetings Reserve	2000-01	464,412	735,710	306,270	47,710	–	–	–	–	–	1,554,102
	2002-03	464,412	735,710	306,270	47,710	–	–	–	–	–	1,554,102
Total	2000-01	**111,669,517**	**8,610,401**	**12,382,395**	**682,510**	**400,908**	**1,069,440**	–	**23,065,920**	–	157,881,091
	2002-03	**113,981,682**	**10,135,609**	**11,094,499**	**687,283**	**327,310**	**1,045,975**	–	**23,265,920**	–	160,538,278
Regions and technical co-operation											
Development Cooperation	2000-01	2,959,428	60,681	15,040	–	–	22,123	–	–	–	3,057,272
	2002-03	2,916,380	53,417	9,207	–	–	17,123	–	–	–	2,996,127

		1 Staff costs	2 Travel on official business	3 Contractual services	4 General operating expenses	5 Supplies and material	6 Furniture and equipment	7 Acquisition and improvement of premises	8 Fellowship grants and field projects	9 Other items	Total
		$	$	$	$	$	$	$	$	$	$
Field Programmes in Africa	2000-01	27,203,569	1,668,705	84,110	3,846,300	438,610	465,500	–	6,306,000	60,500	40,073,294
	2002-03	27,208,769	1,626,605	119,500	3,926,220	410,600	467,600	–	6,306,000	8,000	40,073,294
Field Programmes in the Americas	2000-01	25,529,320	1,343,761	193,300	3,734,790	379,400	213,200	–	5,286,492	–	36,680,263
	2002-03	25,530,373	1,160,651	516,600	3,617,109	323,600	281,950	–	5,249,980	–	36,680,263
Field Programmes in Arab States	2000-01	5,677,604	377,626	139,700	325,000	83,000	76,500	–	1,450,000	–	8,129,430
	2002-03	5,674,036	381,194	139,700	372,500	15,000	97,000	–	1,450,000	–	8,129,430
Field Programmes in Asia and the Pacific	2000-01	26,718,568	1,569,720	655,840	3,582,620	480,825	588,033	–	4,365,000	–	37,960,606
	2002-03	26,939,368	1,682,066	499,237	3,451,490	380,225	643,220	–	4,365,000	–	37,960,606
Field Programmes in Europe and Central Asia	2000-01	8,515,210	438,298	465,770	1,944,684	130,230	94,460	–	792,000	–	12,380,652
	2002-03	8,505,988	440,710	493,110	1,882,614	119,800	139,460	–	798,970	–	12,380,652
Total	2000-01	**96,603,699**	**5,458,791**	**1,553,760**	**13,433,394**	**1,512,065**	**1,459,816**	**–**	**18,199,492**	**60,500**	**138,281,517**
	2002-03	**96,774,914**	**5,344,643**	**1,777,354**	**13,249,933**	**1,249,225**	**1,646,353**	**–**	**18,169,950**	**8,000**	**138,220,372**
Support services											
Library and Information Services	2000-01	5,802,832	18,542	67,105	19,080	1,432,710	14,740	–	42,370	–	7,397,379
	2002-03	5,144,088	18,542	445,605	19,080	1,361,610	14,740	–	42,370	–	7,046,035
Information Technology and Communications	2000-01	9,586,496	52,216	115,880	1,351,091	–	325,220	–	51,766	143,013	11,625,682
	2002-03	9,947,392	40,000	60,000	1,383,179	–	154,994	–	40,000	143,013	11,768,578
Internal Administration	2000-01	18,173,884	48,810	48,170	10,978,498	1,011,900	889,570	–	–	–	31,150,832
	2002-03	16,872,604	48,810	48,170	10,978,498	1,011,900	889,570	–	–	–	29,849,552
Publications	2000-01	4,537,129	42,660	756,632	3,790	3,770	48,021	–	–	–	5,392,002
	2002-03	4,187,716	25,136	764,192	–	–	21,326	–	–	–	4,998,370
Total	2000-01	**38,100,341**	**162,228**	**987,787**	**12,352,459**	**2,448,380**	**1,277,551**	**–**	**94,136**	**143,013**	**55,565,895**
	2002-03	**36,151,800**	**132,488**	**1,317,967**	**12,380,757**	**2,373,510**	**1,080,630**	**–**	**82,370**	**143,013**	**53,662,535**
Management services											
General Management	2000-01	5,074,909	585,720	235,462	419,725	–	23,910	–	–	–	6,339,726
	2002-03	5,074,909	585,720	235,462	419,725	–	23,910	–	–	–	6,339,726
Human Resources Development	2000-01	11,464,893	250,258	818,741	82,700	–	282,180	–	2,104,090	–	15,002,862
	2002-03	11,010,442	731,050	1,093,096	212,700	–	220,658	–	2,040,651	–	15,308,597
Financial Services	2000-01	11,147,361	166,978	160,614	–	3,240	76,570	–	–	–	11,554,763
	2002-03	11,336,962	150,387	284,004	–	3,240	70,170	–	10,000	–	11,854,763
Programming and Management	2000-01	4,548,705	178,241	51,748	–	–	18,062	–	–	–	4,796,756
	2002-03	4,461,844	162,597	50,000	–	–	26,380	–	–	–	4,700,821
Total	2000-01	**32,235,868**	**1,181,197**	**1,266,565**	**502,425**	**3,240**	**400,722**	**–**	**2,104,090**	**–**	**37,694,107**
	2002-03	**31,884,157**	**1,629,754**	**1,662,562**	**632,425**	**3,240**	**341,118**	**–**	**2,050,651**	**–**	**38,203,907**
Other budgetary provisions	2000-01	1,265,588	3,740	12,710	598,050	–	–	4,839,590	11,229,371	2,294,830	20,243,879
	2002-03	1,146,508	3,740	12,710	598,050	–	–	4,839,590	11,653,989	2,294,830	20,549,417
Adjustment for staff turnover	2000-01	–3,968,160	–	–	–	–	–	–	–	–	–3,968,160
	2002-03	–3,968,160	–	–	–	–	–	–	–	–	–3,968,160
TOTAL PART I.	2000-01	326,866,128	17,610,717	19,115,468	31,205,266	4,860,763	4,905,716	4,839,590	54,693,009	2,498,343	466,595,000
	2002-03	324,713,946	19,531,414	19,379,083	31,155,916	4,436,195	4,855,133	4,839,590	55,237,880	2,445,843	466,595,000
PART II. UNFORESEEN EXPENDITURE											
Unforeseen expenditure	2000-01	–	–	–	–	–	–	–	–	875,000	875,000
	2002-03	–	–	–	–	–	–	–	–	875,000	875,000
PART III. WORKING CAPITAL FUND											
Working Capital Fund	2000-01	–	–	–	–	–	–	–	–	–	–
	2002-03	–	–	–	–	–	–	–	–	–	–
TOTAL (PARTS I-III)	2000-01	326,866,128	17,610,717	19,115,468	31,205,266	4,860,763	4,905,716	4,839,590	54,693,009	3,373,343	467,470,000
	2002-03	324,713,946	19,531,414	19,379,083	31,155,916	4,436,195	4,855,133	4,839,590	55,237,880	3,320,843	467,470,000
Recosted	2002-03	328,951,386	19,548,898	19,712,411	32,403,756	4,575,131	4,855,133	4,839,608	56,120,455	3,522,687	474,529,465

Schedule of established posts

This Schedule shows the number and category of established posts under the Regular Budget as well as those posts which the Governing Body has established from time to time under other sources of funds.

In accordance with the decision taken by the Governing Body at its 241st (November 1988) Session on the budgetary posts system, full information on the use of these posts for established officials will be provided by major programme and by grade as a standard appendix to the annual document on the composition and structure of the staff submitted to the Programme, Financial and Administrative Committee at the Governing Body's March Sessions.

	Number of posts
Posts established under the Regular Budget:	
Director-General	1
Deputy Directors-General	3
Assistant Directors-General	8
Legal Adviser	1
Posts at the D2 level	16
Posts at the D1 level	45
Posts at the Professional level	543
Posts at the General Service level	637
	1 254[1]
Posts established under other sources of funds:	
Programme Support Income:	
Posts at the Professional level	17
Posts at the General Service level	22
	39
International Social Security Association:	
Posts at the Professional level and above	9
Posts at the General Service level	8
	17
International Institute for Labour Studies:	
Posts at the Professional level and above	7
Posts at the General Service level	9
	16
CINTERFOR:	
Posts at the Professional level and above	2
Posts at the General Service level	5
	7
World Food Programme:	
Posts at the Professional level	1
Posts at the General Service level	1
	2
ILO-ITU Health Insurance Fund:	
Posts at the General Service level	1

[1] Of which 166 Professional and above, and 62 General Service posts are frozen.

Information annex 5

Estimates of expenditure on technical cooperation funded from extra-budgetary sources by operational objective

	Extra-budgetary resources (in constant 2000-01 US$)	
	Revised estimates 2000-01	Estimates 2002-03
Standards and fundamental principles and rights at work		
1a Standards and fundamental principles and rights at work	8,727,000	17,450,000
1b Child labour	40,000,000	60,000,000
1c Normative action	2,076,000	2,950,000
	50,803,000	**80,400,000**
Employment		
2a Employment policy support	7,260,000	1,300,000
2b Knowledge, skills and employability	20,405,000	18,300,000
2c Employment creation	62,226,000	47,000,000
	89,891,000	**66,600,000**
Social protection		
3a Social security	11,619,000	9,000,000
3b Working conditions	8,024,000	12,300,000
	19,643,000	**21,300,000**
Social dialogue		
4a Social partners	15,138,000	15,000,000
4b Governments and institutions of social dialogue	9,375,000	5,220,000
	24,513,000	20,220,000
Total estimates of extra-budgetary resources	***184,850,000***	***188,520,000***

Estimates of expenditure on technical cooperation funded from extra-budgetary sources by region and strategic objective

	Estimated extra-budgetary expenditure 2007-08 (in constant 2000-01 US$)
Africa	
Standards and fundamental principles and rights at work	17,990,000
Employment	39,210,000
Social protection	7,300,000
Social dialogue	7,500,000
	72,000,000
Latin America and the Caribbean	
Standards and fundamental principles and rights at work	15,900,000
Employment	4,100,000
Social protection	1,600,000
Social dialogue	3,600,000
	25,200,000
Arab States	
Standards and fundamental principles and rights at work	1,100,000
Employment	3,850,000
Social protection	300,000
Social dialogue	100,000
	5,350,000
Asia and the Pacific	
Standards and fundamental principles and rights at work	28,950,000
Employment	5,640,000
Social protection	5,700,000
Social dialogue	2,500,000
	42,790,000
Europe and Central Asia	
Standards and fundamental principles and rights at work	2,700,000
Employment	4,570,000
Social protection	1,100,000
Social dialogue	2,810,000
	11,180,000
Inter-regional	
Standards and fundamental principles and rights at work	13,760,000
Employment	9,230,000
Social protection	5,300,000
Social dialogue	3,710,000
	32,000,000
TOTAL	*188,520,000*

Information annex 7

Summary of proposed regular budget technical cooperation resources for 2002-03

	2000-01 ($)		2002-03 (in constant 2000-01 US$)	
Standards and Fundamental Principles and Rights at Work	1,243,900		1,243,900	
Employment	2,029,400		2,029,400	
Social Protection	1,120,500		1,120,500	
Social Dialogue	7,221,400		7,221,400	
Employer's activities		*1,753,600*		*1,753,600*
Workers' activities		*4,474,200*		*4,474,200*
Gender Equality	94,200		94,200	
Statistics	85,500		85,500	
Field Programmes in Africa	6,306,000		6,306,000	
Field Programmes in the Americas	3,512,730		3,512,730	
Field Programmes in Arab States	1,450,000		1,450,000	
Field Programmes in Asia and the Pacific	4,365,000		4,365,000	
Field Programmes in Europe and Central Asia	792,000		792,000	
	28,220,630		***28,220,630***	

Information annex 8

ILO Organization chart

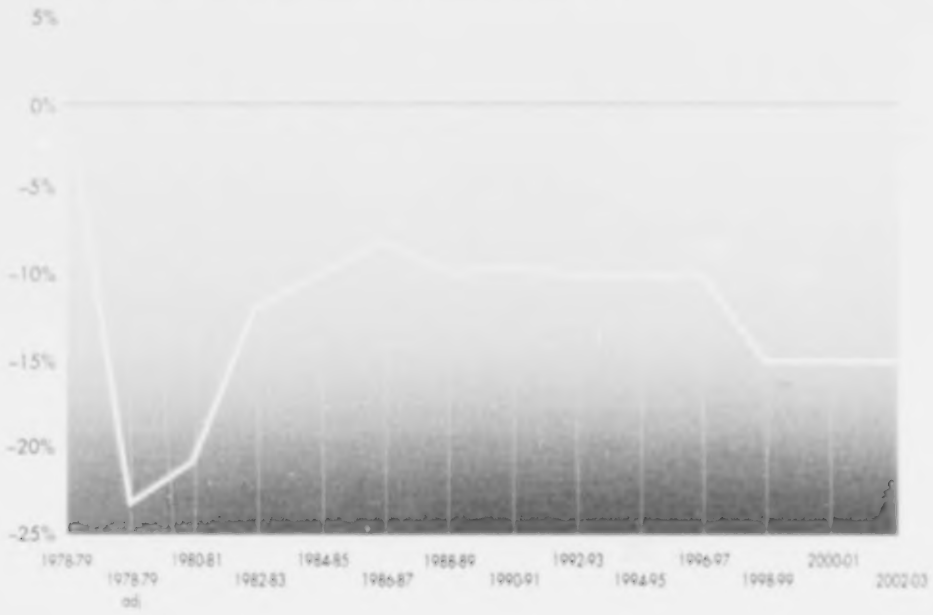
Director-General

Senior Management Team*

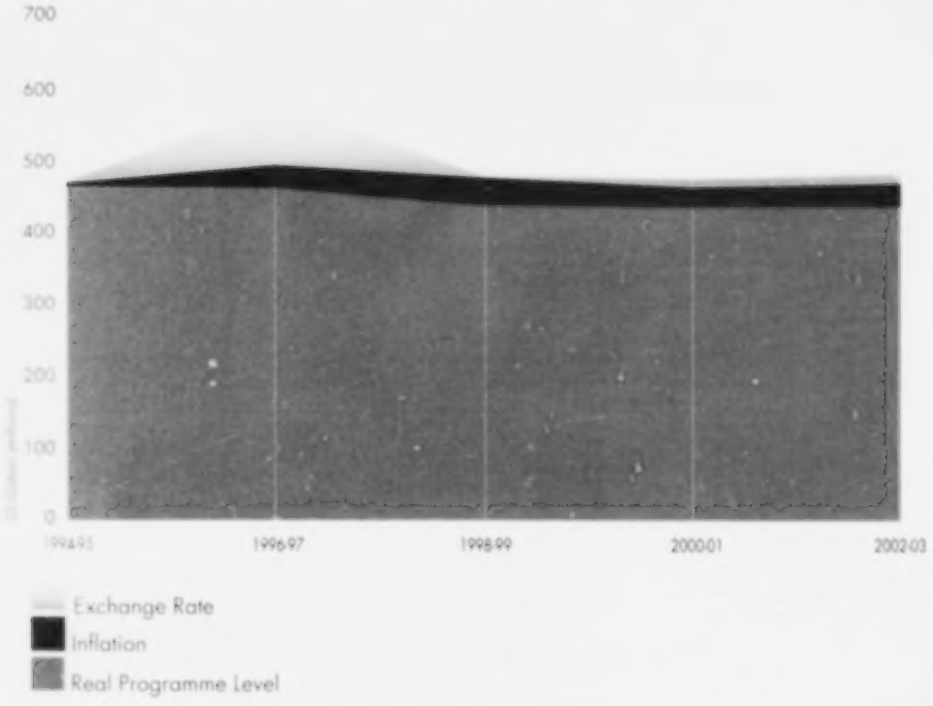
- Standards and Fundamental Principles and Rights at Work – *Executive Director (ED/NORM)
  - International Labour Standards (NORMES)
    - Equality and Employment (EGALITE)
    - Social Protection and Labour Conditions (APPL)
    - Freedom of Association (LIBSYND)
    - Standards Policy and Information (POLNORM)
  - InFocus Programme on Promoting the Declaration (DECLARATION)
  - InFocus Programme on Child Labour (IPEC)
  - Management Support Unit (ED/NORM/MSU)
- Relations, Meetings and Document Services (RELCONF)
  - Official Relations (RELOFF)
  - Official Documentation (OFFDOC)
  - Document Production and Distribution (PRODOC)
- Employment – *Executive Director (ED/EMP)
  - Employment Strategy (EMP/STRAT)
  - InFocus Programme on Skills, Knowledge and Employability (IFP/SKILLS)
  - Recovery and Reconstruction (EMP/RECON)
    - InFocus Programme on Crisis Response and Reconstruction (IFP/CRISIS)
    - Employment-Intensive Investment (EMP/INVEST)
  - Job Creation and Enterprise Development (EMP/ENT)
    - InFocus Programme on Boosting Employment through Small Enterprise Development (IFP/SEED)
    - Management and Corporate Citizenship (MCC)
    - Cooperatives (COOP)
  - Gender Promotion (GENPROM)
  - Multinational Enterprises (MULTI)
  - Management Support Unit (ED/EMP/MSU)
- Social Protection – *Executive Director (ED/PROTECT)
  - InFocus Programme on Socio-Economic Security (IFP/SES)
  - Social Security Policy and Development (SOC/POL)
  - Social Security Financial, Actuarial and Statistical Services (SOC/FAS)
  - InFocus Programme on Safety and Health at Work and the Environment (SAFEWORK)
  - Conditions of Work (CONDIT)
  - International Migration (MIGRANT)
  - ILO Programme on HIV/AIDS and the World of Work (ILO/AIDS)
  - Management Support Unit (ED/PROTECT/MSU)
- Social Dialogue – *Executive Director (ED/DIALOGUE)
  - Employers' Activities (ACT/EMP)
  - Workers' Activities (ACTRAV)
  - InFocus Programme on Strengthening Social Dialogue (IFP/DIALOGUE)
  - Sectoral Activities (SECTOR)
  - Government and Labour Law and Administration (GLLAD)
  - Management Support Unit (ED/DIALOGUE/MSU)
- Regions and Technical Cooperation – *Executive Director (ED/REGIONS)
  - Development Cooperation (CODEV)
  - Africa (AFRICA)
  - The Americas (AMERICAS)
  - Arab States (ARABSTATES)
  - Asia and the Pacific (ASIA)
  - Europe and Central Asia (EUROPE)
- Support Services – *Executive Director (ED/SUPPORT and TR/CF)
  - Financial Services (FINANCE)
    - Budget and Finance (BUDFIN)
    - Treasury and Accounts (TREASURY)
  - Library and Information Services (BIBL)
  - Information Technology and Communications (ITCOM)
  - Internal Administration (INTER)
  - Publications (PUBL)
- Reporting to the Director-General
  - Director-General's Office (CABINET)
  - Decent Work – Inter-sectoral Operational Support
  - Legal Services (JUR)
  - Gender Equality (GENDER)
  - Statistics (STAT)
  - Human Resources Development (HRD)
    - Career Development and Resourcing (HRDEV)
    - Human Resources Policy and Information Systems (HRPOLICY)
    - Human Resources Administration and Support (HRADMIN)
  - Programming and Management (PROGRAM)
  - External Relations and Partnerships (EXREL)
    - International Policy Group (IPG)
    - New York Liaison Office (NYLO)
  - Communications (DCOMM)
  - Internal Audit (VERIF)
  - International Institute for Labour Studies (INST)
  - International Training Centre of the ILO, Turin (TURIN)
  - Washington Branch Office (WBO)
  - Tokyo Branch Office (TBO)

Information annex 9

Real programme evolution (1978-2003)



Effect of exchange rate changes and inflation (1994-2003)



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